

## **Wisconsin Retirement System (WRS) ELIGIBILITY**

This document is a guide for making decisions on when an employee is eligible for WRS coverage. ***This information does NOT apply to Graduate Assistant appointments.***

### **General Rules:**

- All employees who meet both the following criteria as listed in Wisconsin Statutes 40.22 must be enrolled in WRS:
    - Employee is expected to work one-third of full-time per year (600 hours for non-teaching employees and 440 hours for teachers)
- AND**
- Employee is expected to be employed for at least one year\* (365 consecutive days, 366 in leap year) from date of hire.

\*If an employee is expected to work nine or ten months per year but is expected to return year after year, the one-year requirement is met.

- If an employee has a classified (general retirement category) and an unclassified (teaching retirement category) appointment, concurrent or consecutive, the appointment with the greatest number of hours must be used to determine whether the 440 hour or 600 hour rule is applied to determine eligibility.
- WRS eligibility is based on the employer's expectation of how long and the number of hours the employee will work for the UW as a whole.

WRS eligibility is not assessed separately for each appointment. If the employee has multiple appointments, all expected hours must be added together to determine whether the employee has met the 440 or 600 hours. If the employee will be employed for a year in one appointment or in several sequential appointments the duration criterion is met.

- The University campuses are all considered one employer.

### **The following points must be considered when determining WRS eligibility**

- If employees meet the eligibility criteria, they must be enrolled in WRS; employees have no choice.
- Employees who do not meet the criteria may not be enrolled in WRS.
- The employer must assess the reasonable number of hours necessary to perform the duties.

- All employment for which an employee receives earnings for personal services rendered at one employer must be included to determine WRS eligibility.
- Employment for which an amount is paid to the employee by the employer — regardless of the source of funding (e.g., grants) and regardless of whether reimbursement for earnings is made by a second employing entity — must be included in the evaluation of WRS eligibility.
- The eligibility criteria must be met at each employer independently.
- Each state agency is considered a separate employer for WRS purposes.
- WRS participation may not be limited to a particular department, a classification of employees, special interest groups or union contract groups nor may it be limited to only full-time employees.
- There is no qualifying/probationary period.
- Employees who do not meet the WRS eligibility criteria upon hire may become eligible at a later time.

**Three Ways to Become Eligible if Employee  
NOT Eligible Upon Initial Hire**

1. Employee is WRS eligible if there is a **change in employment circumstances such that the expectations are met.** If the employer's expectation of either hours to be worked or duration of employment change after an employee is hired, the employee must be enrolled as soon as the employee is expected to meet the eligibility requirements;

**Or**

2. **Employee is WRS eligible upon the one-year anniversary date if the employee has worked the required number of hours** (440 for teachers, 600 for non-teachers) in the preceding 12 -month period.

If one year after the initial date of employment, the employee has worked over 440 hours (teacher) or 600 hours (non-teacher), he or she must be enrolled on the one-year anniversary date (not retroactively to the hire date).

Employee is WRS eligible if the employee **works the required hours in any future 12-month period.** This requires that an employer continuously monitor an employee's hours worked.

3. Employee is WRS eligible if the employee works the required hours in any 12 consecutive months. If on the employee's one-year anniversary date, he or she has not worked the required number of hours for WRS participation, continuous monitoring on a rolling 12-month basis must begin.

The employee must be enrolled in the WRS on the day after he or she has worked over 440 hours (teacher) or 600 hours (non-teachers) in any immediately preceding 12-month period.

**Note:** The current automated process for accumulating the hours to evaluate whether the employee is eligible under the rolling look-back provisions does not pick up the hours an employee is paid on the end-of-month payroll. Therefore,

departments and divisions must track these employee's hours manually to determine the WRS eligibility date.

Employee is immediately WRS eligible regardless whether the position meets the WRS eligibility criteria if the following three conditions are met: 1) employee is rehired at the University within 12 months of termination; and 2) employee had been WRS covered in previous position; and 3) employee had not received a WRS benefit.

### **Important Definitions**

- Unclassified appointments are considered “teachers” for WRS purposes and service and earnings are reported as such to the retirement system.
- There are some executive positions at the University that are considered “executive teachers”, such as the Chancellor, Provost, President, etc.
- Classified appointments are considered “general or protective” for WRS purposes and service and earnings are reported as such to the retirement system.
- “Secured” an appointment means when the employee has the legal rights to the appointment, e.g. when the employee accepts the appointment verbally or in writing.

### **Sources Used to Support This Information**

Wisconsin Retirement System Administration Manual  
<http://etf.wi.gov/empl/empl2p2.htm>

Wisconsin Human Resources Manual (LTE Employment Chapter 224)  
[http://oser.state.wi.us/doctype\\_list.asp?doccatid=48&typeid=64](http://oser.state.wi.us/doctype_list.asp?doccatid=48&typeid=64)

## EXAMPLES

**Example 1:** An employee who has a Limited Term Employee (LTE) appointment at UW Madison Chemistry Department not covered by WRS obtains a second LTE appointment at the UW Madison Math Department.

**Example 2:** An employee who has an LTE appointment at Department of Transportation not covered by WRS later obtains a second LTE appointment at UW Madison Math Department.

**Example 3:** An employee who has an LTE appointment at Department of Transportation that is covered by WRS later obtains a second LTE appointment at UW Madison Math Department.

**Example 4:** An employee who has an academic staff appointment at UW Madison Chemistry Department not covered by WRS later obtains an LTE appointment at UW Madison Math Department.

**Example 5:** An employee who has an LTE appointment with the UW Madison Math Department not covered by WRS. The department reviews and increases the hours worked.

**Example 6:** An employee who has an LTE appointment with the UW Madison Math Department not covered by WRS. The department reviews and reduces the hours worked.

**Example 7:** An employee who has an LTE appointment with the UW Madison Chemistry Department not covered by WRS. The UW Math Department hires the employee as an LTE two months after the first appointment ends.

**Example 8:** An employee who has an academic staff appointment at UW Madison Chemistry Department that is not covered by WRS later obtains a second appointment in the same department for which the employee is paid a lump sum.

**Example 9:** An employee whose unclassified appointment initially was not determined to be WRS eligible as it was less than one year. Later the department extends the end date of the appointment.

**Example 10:** An employee whose unclassified appointment does not meet the WRS eligibility criteria, however, the appointment letter indicates the employee is expected to be continuously employed.

**Example 11:** An employee who has an LTE appointment at UW Madison Chemistry Department that is now covered by WRS. The department later offers the employee a consecutive LTE appointment.

## Example 1

An employee who has a Limited Term Employee (LTE) appointment at UW Madison Chemistry Department not covered by WRS obtains a second LTE appointment at the UW Madison Math Department.

### Appointment 1—Criteria and WRS Analysis

- LTE at UW Madison Chemistry Department, ongoing appointment, no end date
- Appointment **secured** (began) April 7, 2003
- Expected number of hours: 10 hours per week
- Expected duration = 1 year (52 weeks)

The employee does **not** qualify for WRS coverage in this appointment because the employee will not meet the expectation of working 600 hours in the year.

### Appointment 2—Criteria and WRS Analysis

- LTE at UW Madison Math Department, ongoing appointment, no end date
- Appointment offered July 3, 2003
- Appointment **secured** (accepted) August 4, 2003
- Appointment to begin August 25, 2003
- Expected number of hours: 10 hours per week
- Expected duration = 1 year (52 weeks)

The employee does **not** qualify for WRS coverage in this appointment because the employee will not meet the expectation of working 600 hours in the year.

### Conclusion

The employee becomes WRS eligible when the second appointment is **secured** because the expectations have changed. The employee will meet the WRS eligibility criteria of working 600 hours and being employed for at least one year.

Appointment	Period Covered	Number Weeks	Hours Per Week	Total Hours
#1	4/7/03 thru 8/1/03	16	10	160
#1	8/4/03 thru 4/2/04	36	10	360
#2	8/4/03 thru 4/2/04		10	360
<b>Totals</b>		<b>52 Weeks</b>		<b>880 hours</b>

WRS Coverage Effective August 4, 2003

**Note:** If employee works at the second appointment for only a few days or doesn't begin the second appointment at all, WRS coverage will continue as the expectations changed on August 4, 2003.

## **Example 2**

**An employee who has an LTE appointment at Department of Transportation not covered by WRS later obtains a second LTE appointment at UW Madison Math Department.**

### **Appointment 1—Criteria and WRS Analysis**

- LTE at Department of Transportation—ongoing appointment, no end date
- Appointment **secured** (began) April 7, 2003
- Expected number of hours: 10 hours per week
- Expected duration = 1 year (52 weeks)

The employee does **not** qualify for WRS coverage in this appointment because the employee will not meet the expectation of working 600 hours in the year.

### **Appointment 2—Criteria and WRS Analysis**

- LTE at UW Madison Math Department--ongoing appointment, no end date
- Appointment offered July 10, 2003
- Appointment **secured** (accepted) August 1, 2003
- Appointment to begin August 25, 2003
- Expected number of hours: 10 hours per week
- Expected duration = 1 year (52 weeks)

The employee does **not** qualify for WRS coverage in this appointment because the employee will not meet the expectation of working 600 hours in the year.

### **Conclusion**

The hours and duration of the appointment at Department of Transportation **CANNOT** be combined with the hours and duration of the appointment at the UW Madison to make the employee WRS eligible because each State Agency is a separate employer for WRS purposes.

### **Example 3**

**An employee who has an LTE appointment at Department of Transportation that is covered by WRS later obtains a second LTE appointment at UW Madison Math Department.**

#### **Appointment 1—Criteria and WRS Analysis**

- LTE at Department of Transportation—ongoing appointment, no end date
- Appointment **secured** (began) April 7, 2003
- Expected number of hours: 15 hours per week
- Expected duration = 1 year (52 weeks)

The employee qualifies for WRS coverage in this appointment because the employee will meet the expectation of working 600 hours in the year.

#### **Appointment 2—Criteria and WRS Analysis**

- LTE at UW Madison Math Department--ongoing appointment, no end date
- Appointment offered July 10, 2003
- Appointment **secured** (accepted) August 1, 2003
- Appointment to begin August 25, 2003
- Expected number of hours: 10 hours per week
- Expected duration = 1 year (52 weeks)

The employee does **not** qualify for WRS coverage in this appointment because the employee will not meet the expectation of working 600 hours in the year.

#### **Conclusion**

The hours and duration of the appointment at Department of Transportation **CANNOT** be combined with the hours and duration of the appointment at the UW Madison to make the employee WRS eligible because each State Agency is a separate employer for WRS purposes. However, the UW appointment can be taken into consideration in determining the employee's health insurance eligibility.

If the employee was enrolled at the Department of Transportation and paying less-than half-time health insurance rates, the UW appointment may make the employee eligible for full employer contribution.

If not enrolled in health insurance at the Department of Transportation, but the UW appointment would make the employee eligible for full employer contribution, the employee would then be given another opportunity to enroll in the health insurance program.

## Example 4

An employee who has an academic staff appointment at UW Madison Chemistry Department not covered by WRS later obtains an LTE appointment at UW Madison Math Department.

### Appointment 1—Criteria and WRS Analysis

- Unclassified Academic Staff appointment at UW Madison Chemistry Department-ongoing appointment
- Start Date of Appointment: August 28, 2003
- End Date of Appointment: January 4, 2004
- Appointment Percent: 15%
- Expected number of hours: 15% of 176 hours/month
- Expected duration = 4.5 months

The employee does **not** qualify for WRS coverage because the employee is not expected to work at least one-third of full-time which is 440 hours per year for unclassified appointments.

### Appointment 2—Criteria and WRS Analysis

- LTE appointment at UW Madison Math Dept—ongoing appointment, no end date
- Appointment offered January 10, 2004
- Appointment **secured** (accepted) January 11, 2004
- Appointment to begin February 1, 2004
- Expected number of hours: 20 hours/week
- Expected duration = One year (365 days)

### Conclusion

WRS coverage begins on January 11, 2004 when the second appointment is **secured** because the employee's expectations have changed. First, you must determine which appointment has the greatest number of work hours in order to determine which eligibility rules apply. In this case the employee must work 600 hours in one year.

<b>Appointment</b>	<b>Period Covered</b>	<b>Number Weeks/Months</b>	<b>Hours Per Week/Month</b>	<b>Total Hours</b>
#1	8/28/03 thru 1/4/04	4.5 months	15% of 176 hrs/month	118.8
#2	2/1/04 thru 8/28/04	29 weeks	20 /week	580
<b>Totals</b>		<b>47 weeks</b>		<b>698.8 hours</b>

WRS Coverage Effective January 11, 2004

**Note:** If employee works at the second appointment for only a few days or doesn't begin the second appointment at all, WRS coverage continues.

## Example 5

An employee who has an LTE appointment with the UW Madison Math Department not covered by WRS. The department reviews and increases the hours worked.

### Appointment 1—Criteria and WRS Analysis

- LTE at UW Madison Chemistry Department--ongoing appointment, no end date
- Appointment **secured** (began) March 2, 2003
- Expected number of hours: 10 hours/week
- Expected duration = One year (365 days)

The employee does **not** qualify for WRS coverage in this appointment because the employee will not meet the expectation of working 600 hours in the year.

### Appointment 1—Criteria and WRS Analysis Re-evaluation

- Re-evaluation date: June 27, 2003
- Expected number of hours: 15 hours/week
- Expected duration = One year (365 days)

### Conclusion

<b>Appointment</b>	<b>Period Covered</b>	<b>Number Weeks</b>	<b>Hours Per Week</b>	<b>Total Hours</b>
#1	3/2/03 thru 6/27/03	16	10	160
#1	6/28/03 thru 3/2/04	36	15	540
<b>Totals</b>		<b>52 Weeks</b>		<b>700 hours</b>

WRS Coverage Effective June 27, 2003

## Example 6

An employee who has an LTE appointment with the UW Madison Math Department not covered by WRS. The department reviews and reduces the hours worked.

### Appointment 1—Criteria and WRS Analysis

- LTE at UW Madison Chemistry Department--ongoing appointment, no end date
- Appointment **secured** (began) March 2, 2003
- Expected number of hours: 25 hours/week
- Expected duration = 1,043 hours or 41.72 weeks

The employee does **not** qualify for WRS coverage in this appointment because the employee will not meet the one-year expectation. An LTE cannot exceed 1,043 hours in a year.

### Appointment 1—Criteria and WRS Analysis Re-evaluation

- Re-evaluation date: June 27, 2003
- Expected number of hours: 15 hours/week
- Expected duration = One year (365 days)

### Conclusion

<b>Appointment</b>	<b>Period Covered</b>	<b>Number Weeks</b>	<b>Hours Per Week</b>	<b>Total Hours</b>
#1	3/2/03 thru 6/27/03	16	25	400
#1	6/28/03 thru 3/2/04	36	15	540
<b>Totals</b>		<b>52 weeks</b>		<b>940 hours</b>

WRS Coverage Effective June 27, 2003

**Note:** The LTE appointment did not exceed the 1,043 hours in one year.

## Example 7

An employee who has an LTE appointment with the UW Madison Chemistry Department not covered by WRS. The UW Math Department hires the employee as an LTE two months after the first appointment ends.

### Appointment 1—Criteria and WRS Analysis

- LTE at UW Madison Chemistry Department—appointment begin date March 3, 2003, appointment end date August 30, 2003
- Expected number of hours: 40 hours/week
- Expected duration = 26 weeks

The employee does **not** qualify for WRS coverage because the employee is not expected to work at least one-third of full-time and be employed for at least one year (365 days).

### Appointment 2—Criteria and WRS Analysis

- LTE at UW Madison Math Department—ongoing appointment, no end date
- Appointment **secured** (accepted) October 20, 2003
- Appointment begins November 2, 2003
- Expected number of hours: 10 hours/week
- Expected duration = one year (365 days)

### Conclusion

Appointment	Period Covered	Number Weeks	Hours Per Week	Total Hours
#1	3/3/03 thru 8/30/03	25	40	1000
#2	11/2/03 thru 3/3/04	27	10	270
<b>Totals</b>		<b>52 Weeks</b>		<b>1,270 hours</b>

WRS Coverage Effective November 2, 2003

**Note:** Although the total hours of the two LTE appointments exceeds 1,043 hours, it should be noted that each separate LTE appointment did not.

## Example 8

An employee who has an academic staff appointment at UW Madison Chemistry Department that is not covered by WRS later obtains a second appointment in the same department for which the employee is paid a lump sum.

### Appointment 1—Criteria and WRS Analysis

- Academic Staff appointment—ongoing appointment, no end date
- Appointment Percent: 20%
- Appointment Start Date: August 28, 2003
- Expected number of hours: 20% x 176 hours = 35.2 hours/month
- Expected duration = 9 months

The employee does **not** qualify for WRS coverage based on this appointment because the employee is not expected to work at least one-third of full-time, or 440 hours.

### Appointment 2—Criteria and WRS Analysis

- Academic Staff Appointment as Lecturer
- Appointment Pay Basis: Lump Sum
- Appointment **secured** (accepted) October 20, 2003
- Appointment begins November 1, 2003
- Lump Sum: \$2,000

The employee does **not** qualify for WRS coverage based on this appointment because the employee is not expected to work at least one-third of full-time (440 hours) and be employed for one year.

### Conclusion

<b>Appointment</b>	<b>Period Covered</b>	<b>Number Weeks/Months</b>	<b>Hours Per Week</b>	<b>Total Hours</b>
#1	8/28/03 thru 8/27/04	9 months	20% of 176 hours/month	316.8
#2	11/1/2003	Lump sum	\$22.00/hour*	125
<b>Totals</b>				<b>441.8</b>

WRS Coverage Effective October 20, 2003

**Note:** Divisions/Departments must calculate the number of hours that equates to the lump sum being paid and based on the hours, evaluate whether this makes the employee WRS eligible. In our example, we have assumed that the hours added due to being paid the lump sum makes the employee WRS eligible.

\* Automated system determines this hourly rate.

## **Example 9**

**An employee whose unclassified appointment initially was not determined to be WRS eligible as it would not be one year in length. Later the department extends the end date of the appointment.**

### **Appointment 1—Criteria and WRS Analysis**

- Unclassified Annual appointment—fixed terminal
- Appointment Percent: 100%
- Appointment Start Date: August 6, 2002
- Appointment End Date: June 30, 2003

The employee does **not** qualify for WRS coverage based on this appointment because the employee is not expected to be employed for one year.

### **Appointment 1—Criteria and WRS Analysis Re-Evaluation**

- Re-evaluation of appointment: July 1, 2003
- Appointment End Date: December 31, 2003

### **Conclusion**

Employee became WRS eligible when the expectations changed by extension of the appointment end date. The employee will meet the WRS eligibility requirements of working at least one-third of full-time (440 hours) and be employed for at least one year (365 days).

WRS Coverage Effective July 1, 2003

## **Example 10**

**An employee whose unclassified appointment does not meet the WRS eligibility criteria, however, the appointment letter indicates the employee is expected to be continuously employed.**

### **Appointment 1—Criteria and WRS Analysis**

- Unclassified Academic year appointment—fixed terminal
- Appointment Percent: 100%
- Appointment Start Date: August 28, 2003
- Appointment End Date: May 25, 2003

The employee does **not** qualify for WRS coverage based on this appointment because the employee is not expected to be employed for one year.

### **Conclusion**

Because the appointment letter indicates the employee could possibly be employed after this appointment end date, this employee should be covered by WRS at the start of the appointment. The employee is expected to work at least one-third of full-time (440 hours) and will be employed for at least one year (365 days).

WRS Coverage Effective August 28, 2003

## Example 11

An employee who has a LTE appointment at UW Madison Chemistry Department is not covered by WRS. The department later offers the employee a consecutive LTE appointment.

### Appointment 1—Criteria and WRS Analysis

- LTE appointment in UW Madison Chemistry Department
- Appointment Start Date: October 4, 2003
- Appointment End Date: March 31, 2004
- Expected number of hours: 40 hours/wk
- Expected duration = 6 months

The employee does **not** qualify for WRS coverage based on this appointment because the employee is not expected to be employed for one year. An LTE cannot exceed 1,043 hours in a year therefore will not meet the one year test when working full-time.

### Appointment 2—Criteria and WRS Analysis

- LTE appointment in UW Madison Chemistry Department
- Appointment Start Date: April 1, 2004
- Appointment End Date: October 4, 2004
- Expected number of hours: 40 hours/wk
- Expected duration = 6 months

The employee does **not** qualify for WRS coverage based on this appointment because the employee is not expected to be employed for one year. An LTE cannot exceed 1,043 hours in a year therefore will not meet the one year test when working full-time.

### Conclusion

<b>Appointment</b>	<b>Period Covered</b>	<b>Number Weeks</b>	<b>Hours Per Week</b>	<b>Total Hours</b>
#1	10/4/03 thru 3/31/04	26	40	1,040
#2	4/1/04 thru 10/4/04	26	40	1,040
<b>Totals</b>		<b>52 weeks</b>		<b>2,080 hours</b>

WRS Coverage Effective April 1, 2004

**Note:** Although the total hours of the two LTE appointments exceeds 1,043 hours, it should be noted that each separate LTE appointment did not.