



Retirement Update

The Wyoming Retirement System public employee and retiree newsletter

WRS Board

Representing the Community at Large

Jim Applegate Dick Cuthbertson
Carl Jensen Laura Ladd
Rex Arney

Representing Public Employees

Danny Romero Tracy Gover

Representing Community Colleges

Garth Shanklin

Representing School Employees

Carrie F. Johnson

Representing Retirees

Stephen Sommers

Wyoming State Treasurer

Joseph B. Meyer

Next Board Meeting

You are invited to the Board's bi-monthly public meetings, which are usually held on the third Friday of the month. However, in recognition of the various holidays celebrated at the end of December, the next meeting will be Friday, Dec. 4, at Little America in Cheyenne. If you need special assistance, please contact WRS at (307) 777-7691. For the full Board meeting schedule and minutes, go to <http://retirement.state.wy.us/board.asp>

Volunteer Firemen's Pension Board

Lanny Applegate Kim Lee
Gene Diedrich Jerry Munger
Alan Sessions

Jim Ellis ... Mr. Ellis, who served on this board for more than 30 years, passed away September 19 at his home in Lingle, WY. We are saddened by his passing, and will report to you as soon as his replacement has been named and approved. Read more about him on Page 2.

Next Volunteer Firemen's Pension Board Meeting

The next meeting will be at 7 p.m. Thursday, January 7, 2010, at Svilar's in Hudson. It is open to the public.

Volunteer EMT Board

Kristine Bacheller Roy Barber
Arlo Niederer RaDawn Rued
Gard Ferguson Sally Waugh

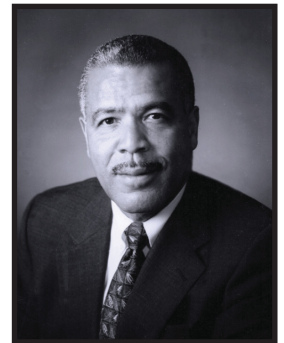
A New Season for WRS

By Thom Williams, Executive Director

Winter is usually a time of hibernation, but at the Wyoming Retirement System (WRS) we are planting seeds of change. The Board is currently engaged in a comprehensive review and redefinition of its governance roles and responsibilities. One possible outcome is the delegation of authority for investment decisions they once undertook on behalf of WRS to me and our developing investment staff. Delineating these roles helps establish appropriate accountability while enabling WRS to respond nimbly to emerging investment opportunities. The Board would then be allowed to focus on the broad asset allocation decisions that will have the greatest impact on our investment performance. This is important because 80 percent of every dollar paid to retirees comes from investment earnings. The Board, now supported by a board administrator, continues to review and alter the portfolio mix in an attempt to provide the highest return possible within a risk profile appropriate for a public pension plan like ours.

Comparative data show that we can dramatically improve our relative investment performance versus our peer public pension funds nationwide. I am confident that our investment performance and service levels will improve as we proceed along our new course. The hiring of a Chief Investment Officer in March and an Investment Analyst in August put WRS in a position to better evaluate current investments and be more proactive in considering alternative investment opportunities. In addition, the portfolio has rebounded from \$4.6 billion at the beginning of January to \$5.6 billion as of early November. The market declines of 2008 gave us the

opportunity to reassess our investment strategy and reposition investments in order to participate in new opportunities. Likewise, we have conducted a study of the pattern of our long-term liabilities to strategically inform investment decisions.



The addition of an in-house attorney in May supported the investment process, as investing in alternatives can be more complex from a legal standpoint. Our new Chief Legal Counsel has provided key advice on a variety of other legal matters as well.

As we are working to advance our investment performance, the Board and I are talking with the Governor and Legislature about a funding increase for the Public Employee Plan, which encompasses most of our members. Even without cost-of-living adjustments (COLAs), that plan had a contribution shortfall in 2009 and projections show, absent extraordinary investment return, it will continue into the future. We are also discussing the possibility of future COLAs, but we must have funding over and above that currently being requested to support them.

Following our internal reassessment, I want WRS to become even more externally focused. We hope to work more closely with both our individual members and agency partners. We are moving toward improvements in member and employer service through

Continued on page 2

A New Season for WRS, continued

Continued from page 1

technology. Governor Freudenthal has signaled his initial support of WRS' 2011-2012 biennial budget request, which includes funding for a major technology modernization and replacement project.

Set Up RMDs Now

The IRS requires you to begin taking distributions from both your pension and 457 Deferred Compensation Plans no later than April 1 of the calendar year following either the calendar year in which you turn 70 ½ or, if later, the calendar year in which you stop working. This is known as "required minimum distributions" or "RMDs."

To maintain compliance with IRS requirements, WRS will begin automatically sending necessary distributions to vested members who have not initiated distribution of their pension benefits, but who are at the required age for distribution. In these instances, WRS will initiate distribution under default arrangements. It is important to note, if WRS initiates your RMD for pension benefits, you will not have the opportunity to select from potential payment options available. If you are a non-vested member of one of the WRS Pension Plans and have reached the age of 70 ½ in the current calendar year, you will receive a lump sum distribution of your entire pension account. It is preferable for you to make your own distribution elections, allowing you to select the distribution arrangement most advantageous to you.

Because Congress suspended RMDs for Defined Contribution Plans in 2009, WRS will not enact this provision for members of the WRS 457 Deferred Compensation Plan until 2010.

If you are approaching age 70 and have not elected a payment option on your Pension account, you can get more information by contacting us at pension@state.wy.us or 307-777-7691.

Investment in our technology has been deferred for at least a decade, resulting in lack of online access for members and employers, slower service, and inefficient use of staff resources. Although it will take 2 to 3 years to fully implement a solution, now is the time to start.

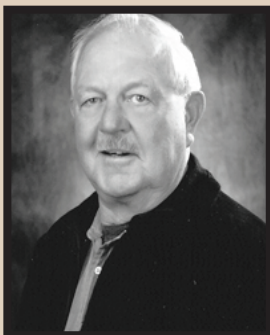
We have been responsive to the findings from two independent audits of our operations which identified years of underfunding as one of the primary impediments to our achievement of

operational effectiveness. The support of the Governor and Legislature has begun to reverse this trend and has laid the groundwork for a new season of improvements and effectiveness.

During my first full year as Executive Director, much has been accomplished, yet much remains to be done. I welcome the input of all stakeholders and look forward to advancing the interests of our members.

"Goodbye" to Longtime Volunteer

James R. "Big Daddy" Ellis of Torrington died Saturday, Sept. 19, 2009, at the Torrington Community Hospital.



Mr. Ellis was a longtime supporter of Wyoming firefighters. He started attending Wyoming State Fire Conventions in 1964 and, after he retired from the conventions' competitive events, he became a timer. Jim was a member of both the Torrington and Lingle Volunteer Fire Departments and served as a lobbyist for the Wyoming Fire Chiefs' Association for many years. He worked on the Wyoming Retirement System's Volunteer Firemen's Pension Fund Board for 30 years.

"The members and beneficiaries of the Volunteer Firemen's Pension Plan stand with WRS' Board and staff in honoring Jim's unwavering service commitment. He contributed significantly, and will be greatly missed," said Thom Williams, WRS Executive Director.

Our sympathies go out to his wife, Myrna of Lingle, and his family and friends. We honor his years of service to the many firefighters in the state of Wyoming.

Board Protects Base Benefits for Paid Fire B *No COLA Voted for 2009*

At its October meeting, the WRS Board voted not to award COLAs to eligible retirees of the Paid Fire B Pension Plan. Although a modest "break-even" COLA was actuarially affordable, the Board members believe it best to conserve funding now in order to protect the ability to pay base benefits in the future. This was the same approach taken with other plans in the same situation.

"The provision of a break-even COLA,

while permitted under the plan's current contribution rate, can add significantly to the plan's unfunded liability over time," said Thom Williams, WRS' Executive Director.

This was a difficult decision for the Board members, but their first priority is to assure sound funding of the base benefits and to grant COLAs only to the extent they don't adversely impact the program's fiscal integrity.

WRS Updates

Board Governance

The WRS Board is in the process of updating and expanding its Board policies. These policies provide the framework for how the Board operates in terms of its ethical responsibilities, travel, continuing education as well as through defined roles for Board members and committees.

The policies also describe the duties of the Executive Director. This is important because the policies give the Executive Director clear and formal authority to accomplish organizational goals and will allow WRS to act more efficiently.

Technology Upgrade

WRS identified the need for new software earlier this year in order to improve efficiency and security. As such, we are in the process of upgrading our software technology.

We are currently researching different software companies that may offer products and services appropriate to our needs.

The implementation of new technology will take several years, but we have already started working with participating employers to make improvements to the current processes

and to inform them of the web-based reporting process expected for the future.

457 Online Enrollment/Deferral Changes

State employees who want to enroll in the WRS 457 Deferred Compensation Plan or change their salary deferrals will be able to do so ONLINE very soon.

WRS thanks the Department of Administration & Information Human Resources Division and the State Auditor's Office for assisting with this endeavor.

Investment Changes Focus on Member Benefits

The Wyoming Retirement System's investments are critical to our ability to pay member benefits. Our Chief Investment Officer, Trent May, has led the way in terms of researching and evaluating new areas for investments that provide diversification and, therefore, less risk to the total portfolio.

For example, WRS was able to invest in TALF (Troubled Asset Loan Fund) investments, which became available as part of the federal government's efforts to stimulate the economy. These are advantageous investments for WRS. May has also found ways to provide more flexibility, so when a compelling investment opportunity is identified, WRS can move quickly.

With the addition of an Investment Analyst, Jeffrey Straayer, WRS is now performing more in-depth analysis and due diligence with investment managers than ever before. May

said, "It's important to plug into the investment community because we want to know about all the opportunities that are available to us." In addition, WRS is analyzing how our manager selection has impacted performance and identifying unintended risk in the portfolio due to overlapping styles of different managers.

With the Board's approval and working alongside Thom Williams, WRS' Executive Director, May facilitated the change of WRS' investment consultant. WRS has hired New England Pension Consulting (NEPC). May said NEPC will work as an external advisor to provide investment advice that ranges from asset allocation decisions to selecting fund managers. May said NEPC provides resources which will help WRS as we build the framework on which future decisions will be based.

Get Educated About Retirement

If you didn't get to attend the online or in-person Retirement Fair, you still have a chance to learn how to manage retirement income and save for retirement at <http://retirement.state.wy.us/retirementfair/>.

WRS has educational seminars to help you understand your retirement benefits and how to adequately prepare for your retirement. WRS' Retirement Educators will be in or near your hometown in 2010, so check out their schedule of seminars at <http://retirement.state.wy.us/seminar/> and plan to attend!

Staff Members Enhance Effectiveness

In March 2009, the Wyoming Legislature approved the hiring of five additional staff members to help bring WRS' staff resources closer to what is required to run a retirement system with our complexity and level of assets. One of the more critical positions added was Chief Legal Counsel.

Chief Legal Counsel: Brandi Monger. Brandi has overall responsibility for providing legal services for WRS' operations and investment activities. "We're delighted to have Brandi on staff," said Thom Williams, WRS' Executive Director. "She brings several key attributes to this position, including her in-depth knowledge of Wyoming law, her extensive experience with public pension plans and her understanding of how state processes work in all areas, from Payroll to computer security."

To learn about our other new employees, see page 4.



WRS Newsletter Fall/Winter 2009

Staff Members Enhance Effectiveness, cont.

Continued from page 3.

Brandi received her juris doctorate (JD) with honors in 2003 from the University of Wyoming College of Law. After graduation, she served a year-long clerkship with the Hon. Clarence A. Brimmer, U.S. District Court for the District of Wyoming. In 2004, she joined Hickey & Evans, LLP, in Cheyenne as an associate and then moved to the Wyoming Attorney General's office in 2007. She joined WRS in the Spring of 2009.

External Compliance Auditor: Erin Gorney

Erin verifies participating employers are in compliance with requirements for the employee service and salary data they transmit to WRS. Erin received her bachelor's in finance and her MBA from the University of Wyoming. Before joining WRS, her career focused on auditing oil and gas companies with production in Wyoming.

Investment Analyst: Jeffrey Straayer

Jeffrey assists the Chief Investment Officer by researching and recommending investment vehicles. Previously, he was an owner-partner in an SEC, CFTC, and State of Colorado Registered Investment Advisory Firm. Jeffrey received a bachelor's degree in Business Administration

from the University of Colorado-Boulder with an emphasis in Finance and Information Systems.

IT Project Manager: Aaron Dowding

Aaron is in charge of the Technology Upgrade project you read about on page 3. Aaron has bachelor's degrees in both business and technology management and has more than 15 years in business and information technology. His experience is in identifying, delivering, operating, and supporting innovative enterprise technology solutions and business processes for the private sector as well as for federal and state agencies.

Board Administrator and HR Manager: Meleny Cox

Meleny has a dual role at WRS. She is the HR Manager and she also administers the WRS main Board, the Volunteer EMT and the Volunteer Firemen's Boards. She coordinates communication between the boards, WRS staff and Legislative Liaisons. She also plans the board's meetings, education programs and annual strategic planning retreat. Meleny holds a bachelor's degree in Management and Human Resources, and she has more than 25 years experience in HR, including positions with federal and state government and the automotive industry.

WRS Staff

Thomas Williams ~ *Executive Director*
Harry Wales ~ *Deputy Director*
Trent May ~ *Chief Investment Officer*
Brandi Monger ~ *Chief Legal Counsel*
Roxane Hudson ~ *Operations & Systems Mgr.*
Polly Scott ~ *Benefits, Communication & Deferred Compensation Manager*
Meleny Cox ~ *Board Administrator & HR Manager*
Cathy Balser ~ *Executive Assistant*
Jeffrey Straayer ~ *Investment Analyst*

Active & Refunds

Gwynne James ~ *Active System Supervisor*
Renee Winfrey ~ *Accountant (Lead)*
Debbie Grimm ~ *Accountant*
Nadine Quackenbush ~ *Refund Specialist*
Cathy Faatanu ~ *Refund Specialist*
Cathy Corso ~ *Contribution Specialist*

Audit

Erin Gorney ~ *External Compliance Auditor*

Benefits

Rose Todd ~ *Benefits Supervisor*
Missie Avila ~ *Benefits Specialist*
Cynthia Fernandez ~ *Benefits Specialist*
Dove Lansden ~ *Benefits Specialist*
Marcy Stoinski ~ *Benefits Specialist*

457 Deferred Compensation Plan

Laura Bowen ~ *457 Plan Counselor*
Susan Kantan ~ *457 Specialist*
George Eason ~ *Retirement Educator*
Roy Thompson ~ *Retirement Educator*
Lisa Kindel ~ *Communications Coordinator*

Finance

Jack Riley ~ *Accounting Manager*
Angela Hendricks ~ *Accountant*

Information Technology

Reno Bingham ~ *IT Specialist*
Aaron Dowding ~ *IT Project Manager*

Reception

Lina Kramer ~ *Records Specialist*
Leslie True ~ *Records Specialist*
Matty Ludwig ~ *Records Specialist*

Retiree Payments

Pamela Pendleton ~ *Payroll Supervisor*
Margie Lopez ~ *Disability & Payroll Specialist*

Contact the Wyoming Retirement System

6101 Yellowstone Road, Suite 500, Cheyenne, WY 82002

Pension Systems:

Phone 307.777.7691

Fax 307.777.5995

Email pension@state.wy.us

<http://retirement.state.wy.us>



Retirement System

Deferred Compensation Plan:

Phone 307.777.3325

Fax 307.777.3621

Email 457pln@state.wy.us

<http://www.wrsdcp.com>

The Wyoming Retirement System is open from 8 a.m. to 5 p.m. Monday through Friday.