Wisconsin Coalition of Annuitants

July 20, 2026, Minutes

www.wicoa.org

Meeting called to order by Chair Diane Wilcenski at 9:31AM

DIRECTORS & ALTERNATES PRESENT: **Fluffy Aerts,** WI AFSCME Retirees Chapter 32; **Robert Beglinger,** AFT-R; **Brian Holmes**, Epsilon Sigma Phi; **Bruce Johnson**, SWIB Retirees; **Rick Klemme**, Epsilon Sigma Phi; **Allen Knop**, WEAC-Retired; **Kathy Kreul**, WFT/AFT Retirees; **Jack Lawton**, ACE; **Diane Liebert**, AFSCME Subchapter 52: **Fred Nepple,** OCI; **Kevin Niemi,** President Elect, UWRA; **Elaine Reiter,** Kettle Moraine Retired; **Robert Schaefer,** WI Assoc of Retired Conservationists and State Engineering Association; **Roger Springman**, WFT/AFT Retirees; **Jeanne Stangl**, Dodge County Area REA; **Diane Wilcenski**, WREA; **Rick Wojciak,** DNR; **Christopher Wren**, Wisconsin State Attorneys Association; and **wicoa.org**

DIRECTORS & ALTERNATES NOT PRESENT; **James Blank,** Bay Lakes United Educators-R **; Dave Bosanko,** Retired Professional Fire Fighters of WI; **Sandy Drew**, SWIB Retiree; **Paul Haubrich**, UW Milwaukee Retiree's Assoc.; **Scott Hildebrand,** UWRA President; **Dick Kratz,** WI Retired Corrections Personnel; **John Maydak,** West Allis Retirees; **Jim Thiel**, Association of Career Employees;

DIRECTORS & ALTERNATES EXCUSED;

GUESTS; Tarna Hunter and Rochelle Klaskin

Roll Call: Taken by Rick

Approval of the June Minutes:

Minutes were approved as printed.

GUEST: Tarna Hunter, Director of Budget and Management, ETF

Tarna was happy to report that the Insurance Administration System successfully launched all employers on July 1st. ETF will spend the next 12 months stabilizing the system. The retiree experience will be a little bit different than active employees. At this time, retirees can use the system to view their insurance information, update contact information, and cancel or reduce coverage due to a life event. BUT, to enroll, change plans or increase coverage, retirees will need to use the same forms that they have been using to make the changes.

With the new launch of the Insurance Administration System, how retirees pay for their annuity deductions for vision, life and health will change. Instead of payments being at different times of the month, the system is going to line up payments for the same time each month for vision, life, and health payments. Tarna reported that ETF is overall pleased with the implementation of the Insurance Administration System after four years working on it.

Now ETF is on to the next project, which is the Pension Administration System. Tarna reported that ETF has signed a contract with Heywood. Right now, ETF is working with their consultant Linea to put together a plan for discovery. The discovery process is scheduled to begin in September. This process will take about six months. Linea, Heywood and ETF will spend this time looking at what ETF and system requirements are and then will put together a project plan that is expected to be 44 months. Because of the scope of the project and the need for subject matter experts to work on this, ETF submitted a s. 13.10 request to the Joint Finance Committee requesting 6 four -year project positions to backfill for the SME's (Subject Matter Experts) that will be working on the Pension Administration System. She doesn't expect to hear from the JFC until after the August primaries.

ETF is also working on their biennial budget request which is due September 15th. ETF usually has their board review the request and provide support for it. The budget will be focused on modernization and operational needs over the next four years. Tarna will provide more information on this at our October meeting.

Diana Felsman assumed the role of ETF secretary on July 26th. She appointed her executive staff. Matt Stohr will be the Deputy Secretary and Tarna Hunter will be the Assistant Deputy Secretary.

The Group Insurance Board Meeting will be held on August 12th.

The Retirement Board Meeting will be held on September 24th.

Meeting Agendas and Materials for both meetings can be found at https://etf.wi.gov

GUEST: Rochelle Klaskin, Deputy Executive Director and Chief Operating Officer, SWIB

Rochelle started the meeting by letting us know that this meeting was really for us and for any questions that we may have. She mentioned that if we ever have questions for her and she is not at our meeting, to please ask Chris or Jay or Harrison to take your questions back to her. Rochelle just wants to make sure that we have any information that we need.

Performance final returns as May 31. 2026 Returns on a Five-year Basis 10 -year Basis

(Core 5.79% Benchmark 5.74%) (Core 6.60% Benchmark 5.99%) (Core 9.20% Benchmark 8.56%)

(Variable 12.40% Benchmark 12.56%) (Variable 11.94% Benchmark 11.99%) (Variable 13.76%Benchmark 13.76%)

Assets Under Management

Core Fund $148.1B Variable Fund $ 13.9B for a total of $162B in retirement fund assets

Rochelle then shared some economic takeaways for the first half of the year:

· The economy is still growing. (Not a boom or a bust).

· The U.S. economy is not in a recession.

· AI is driving growth.

· We are still not at the Fed's 2% inflation target, but inflation came down in June to 3.5%, down from 4.2% in May. The war in Iran is affecting energy prices which also drives inflation.

· Inflation is still a concern and continues to have an influence on interest rates and household budgets. Some prices are likely to remain elevated such as food and energy prices.

· In Q2, the new chair of the Federal Reserve, Kevin Warsh gave testimony to Congress that he was very focused on managing inflation.

Rochelle continued her presentation by discussing the return required to avoid a negative dividend adjustment. Annuities are set on the assumption of a 5% discount rate. ETF's independent actuaries use a smoothed 5-year return to determine the dividend rate. In 2022, the CTF had a -12.9% return which created a dip in the 5-year returns. However, there has been strong performance in 2023, 2024, and 2025. Currently, the projection is that if the CTF has a return of 1.8% or more for 2026, a negative dividend adjustment for 2026 will be avoided. The target return for the WRS is 6.8% for the CTF to be fully funded over the long term. SWIB will continue to monitor this over the second half of the year.

Rochelle then turned to how AI is used at SWIB, including AI governance at SWIB and some examples of how SWIB is using AI.

Last year ChatGPT (Open AI) was implemented at SWIB. SWIB has a ChatGPT Enterprise license, which provides enterprise security and privacy protections.

OpenAI cannot use SWIB's information or data and cannot train its models on SWIB inputs or outputs. Accordingly, any SWIB information and data provided in ChatGPT interface is confidential and just for SWIB's use. AI tools are available for all staff so that they can begin to use them and build efficiencies for everyday work processes.

One example, Rochelle discussed, is how the private market operations teams use AI to help process thousands of transactions each year for SWIB's investments. For example, as opposed to manually pulling quarterly statements into SWIB's systems, AI can automate the process to bring the statements in, to scrape the information from the statement, and to create the accounting entry in the system. Then an analyst only needs to check the entry. AI had reduced the time by approximately 50%.

Rochelle also discussed SWIB's AI governance policy that governs staff's AI use. SWIB requires a "human in the loop" and disclosure on people's use depending on the type of use.

Rochelle noted that Governor Evers presented SWIB with a Certificate of Commendation recognizing SWIB's 75th Anniversary and the dedicated work of staff on behalf of the WRS and the state.

Finally, Rochelle highlighted a new market update podcast available on SWIB's website. It features Jeff Lucas, SWIB Senior Portfolio Manager - Global Public Market Strategies – Fixed Income, who has been with SWIB more than 20 years. Check it out!!!!

In response to a question from Chris Wren about Truth Social's new service to provide faster access to Truth Social posts, Rochelle stated that SWIB has no current intention of subscribing to the service and that it is targeted to firms that have high frequency trading which SWIB does not participate in.

Rick asked Rochelle about the risk of SWIB being hacked. Rochelle told us that SWIB uses many tools and a team of professionals to protect its network and data. While there are no guarantees and no organization is 100% safe from attack, SWIB consistently monitors its security posture and uses a variety of protective tools to mitigate the risk.

Rochelle ended her visit by reminding us that she is always happy to give us updates and happy to answer questions.

Correspondence: None

Old Business:

Diane kept a list of issues to watch. One issue that has come to the top of the list again is Medicare Advantage. Roger Springman brought up that Medicare Advantage Programs are not what we would like them to be in many ways. A few years ago, a team consisting of WICOA members tried to sort through what we could do to get a better Medicare Advantage program in both Wisconsin and the nation. Unfortunately, that fell apart with the change of administration. Medicare Advantage is still under the microscope as it still is not where it needs to be. Roger had a conversation with Dr. Ed Weisbart. Dr. Weisbart is a national expert on single-payer system working for physicians for a national health system.

Dr. Weisbart suggested that we look at a couple of changes that have been made to Medicare Advantage plans here in Wisconsin and possibly suggest some changes to the program. Roger suggested that we get the number of annuitants that are on the Medicare Advantage plan.

Roger raised the possibility of the former group who investigated Medicare Advantage get together again and look at some of the issues again and take a position on or get involved with. Roger also pointed out that many of our annuitants are using banked sick time for healthcare purchases. He questioned what will happen when the banked time runs out.

Diane asked what the entire group thought of this idea, as well as former members of this group for their opinion. The former group consisted of Jack Lawton, Chris Wren, Jim Blank, Roger Springman, and Diane Wilcenski. Others are welcome to join the group.

Diane stated that she would get an email out to the group to figure out some dates that the group could meet. She also asked Roger if he would contact Dr. Ed Weisbart and ask him if he would sit in on one of the group's meetings and provide more information on where things are at and give us some direction as to what our next steps should be. Another topic for the group could be the use of AI in determining the health needs and care of patients instead of doctor recommendations.

Kathy Kreul informed Diane that she would like to join the group and give it a try.

New Business:

2027 Annual Conference

Consensus was that the conference would be held on Zoom.

The conference would be held on two half days.

We are looking at dates in May. May 12th and 13th

We should check with SWIB and ETF to check when Edwin and Diana are available.

Diane Wilcenski announced that her term is up at the end of December so there will be a new person to work on the conference.

Nominations for new officers will be in October.

WICOA will be having elections in November for new officers.

Tarna blocked Diana's calendar for May 12th and 13th. Jay Risch also blocked Rochelle and Edwin's calendars for those dates.

Possible topics for the conference

Medicare funding	Social Security Funding
IRS Changes	SAVE Bill
Caregiving	Child Care
Economic Trends	Medicaid
Healthcare	

Treasurer Report:

WICOA Income/Expense Report for 6/16/26 – 7/20/26

ASSETS

Savings Account	5.00
Checking Account - beginning balance	6994.09
Income	0.00
Expenses	0.00
Checking Account Balance as of this report	6694.09
TOTAL ASSESTS	6699.09

Next Meeting:

August 17, 2026 at 9:30 AM via Zoom

Meeting adjourned at 10:28AM

Respectfully submitted,

Jeanne Stangl

WICOA Secretary.