

1989 Assembly Bill 516

Date of enactment: **April 10, 1990**
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1989 WISCONSIN ACT 189

AN ACT to amend 40.02 (17) (intro.) and 40.05 (2) (b); and to create 40.02 (17) (g) and 40.05 (2) (bw) of the statutes, relating to: granting creditable service to university of Wisconsin instructional faculty for teacher improvement leave.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 40.02 (17) (intro.) of the statutes is amended to read:

40.02 (17) (intro.) "Creditable service" means the creditable current and prior service, expressed in years and fractions of a year to the nearest one-hundredth, for which a participating employe receives earnings and for which contributions have been made as required by s. 40.05 (1) and (2) and creditable military service and service credited under s. 40.29, expressed in years and fractions of years to the nearest one-hundredth. How much service in any annual earnings period is the full-time equivalent of one year of creditable service shall be determined by rule by the department and the rules may provide for differing equivalents for different types of employment. ~~The Except as provided under par. (g), the~~ amount of creditable service for periods prior to January 1, 1982, shall be the amount for which the participant was eligible under the applicable laws and rules in effect prior to January 1, 1982. No more than one year of creditable service shall be granted for any annual earnings period. Creditable service is determined in the following manner for the following persons:

SECTION 2. 40.02 (17) (g) of the statutes is created to read:

40.02 (17) (g) Each participating employe in the Wisconsin retirement system whose creditable service terminates on or after the effective date of this paragraph ... [revisor inserts date], and whose earnings include com-

penation for teacher improvement leave granted by the board of regents of Wisconsin state colleges during the period beginning on January 1, 1964, and ending on August 31, 1967, in a written and satisfied contract, may receive creditable service for the period for which those earnings were received in an amount not to exceed one year if all of the following apply:

1. The participant meets the requirements of this paragraph and submits an application to the board of regents of the university of Wisconsin system.

2. The board of regents of the university of Wisconsin system certifies the creditable service requested under subd. 1.

3. The participant pays to the department a lump sum equal to 5% of one-twelfth of the employe's highest earnings in a single annual earnings period multiplied by the number of months of creditable service that is granted under this paragraph. That amount shall be credited and treated as employe required contributions for all purposes of the Wisconsin retirement system. No employer may pay any amount payable under this subdivision on behalf of any participating employe.

SECTION 3. 40.05 (2) (b) of the statutes, as affected by 1989 Wisconsin Act 13, is amended to read:

40.05 (2) (b) Contributions shall be made by each participating employer for unfunded prior service liability in a percentage of the earnings of each participating employe. A separate percentage rate shall be determined for the employe occupational categories under s. 40.23 (2m) as of the employer's effective date of participation. The rates shall be sufficient to amortize as a level percent

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of payroll over a period of 40 years from the later of that date or January 1, 1986, the unfunded prior service liability for the categories of employes of each employer determined under s. 40.05 (2) (b), 1981 stats., increased to reflect any creditable prior service granted on or after January 1, 1986, increased to reflect the effect of 1983 Wisconsin Act 141 and increased at the end of each calendar year after January 1, 1986, by interest at the assumed rate on the unpaid balance at the end of the year and adjusted under par. (bw).

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SECTION 4. 40.05 (2) (bw) of the statutes is created to read:

40.05 (2) (bw) The employer contribution rate determined under par. (b) for the university of Wisconsin system shall be adjusted to reflect the cost of granting creditable service under s. 40.02 (17) (g) and that rate shall be sufficient to amortize the unfunded prior service liability of the employers over the remainder of the 40-year amortization period under par. (b).