

Committee Name:

**JOINT SURVEY COMMITTEE – RETIREMENT SYSTEMS
(JSC–RS)**

Appointments

89hr_JSC–RS_Appt_pt00

Clearinghouse Rules

89hr_JSC–RS_CRule_89–

Committee Hearings

89hr_JSC–RS_CH_pt00

Committee Reports

89hr_JSC–RS_CR_pt0

Executive Sessions

89hr_JSC–RS_ES_pt00

Hearing Records

89hr_ab0489

89hr_sb0000

Misc.

89hr_JSC–RS__Misc__pt89

Record of Committee Proceedings

89hr_JSC–RS_RCP_pt00

CONSIDERATION OF AB 489
(BILL NUMBER)

DATE 3-13-90

JOINT SURVEY COMMITTEE ON RETIREMENT SYSTEMS

NAME Timothy J. Pelzek
ADDRESS 6332 W. Manitoba St.
CITY Milwaukee STATE WI ZIP 53219
ORGANIZATION, IF ANY Milwaukee Firefighters Assn

WOULD LIKE TO TESTIFY (APPEAR BEFORE THE COMMITTEE)

IN FAVOR OPPOSED INFORMATION

WOULD LIKE TO REGISTER

IN FAVOR OPPOSED INFORMATION

CONSIDERATION OF AB 489
(BILL NUMBER)

DATE 3-13-90

JOINT SURVEY COMMITTEE ON RETIREMENT SYSTEMS

NAME Lance Hanson
ADDRESS 901 PLATT ST
CITY Eau Claire STATE WI ZIP 54703
ORGANIZATION, IF ANY Eau Claire Firefighters

WOULD LIKE TO TESTIFY (APPEAR BEFORE THE COMMITTEE)

IN FAVOR OPPOSED INFORMATION

WOULD LIKE TO REGISTER

IN FAVOR OPPOSED INFORMATION

CONSIDERATION OF AB 489
(BILL NUMBER)

DATE 3-13-90

JOINT SURVEY COMMITTEE ON RETIREMENT SYSTEMS

NAME MICHAEL GEORGE
ADDRESS 3156 TERRACE HIGH
CITY RACINE STATE WIS ZIP 53406
ORGANIZATION, IF ANY PPFW

WOULD LIKE TO TESTIFY (APPEAR BEFORE THE COMMITTEE)

IN FAVOR

OPPOSED

INFORMATION

WOULD LIKE TO REGISTER

IN FAVOR

OPPOSED

INFORMATION

CONSIDERATION OF AB 489
(BILL NUMBER)

DATE 3-13-90

JOINT SURVEY COMMITTEE ON RETIREMENT SYSTEMS

NAME THOMAS KLEMMER
ADDRESS 10121 W. SHARON LA.
CITY MILWAUKEE STATE WI ZIP 53225
ORGANIZATION, IF ANY PROF. FIRE FIGHTERS

WOULD LIKE TO TESTIFY (APPEAR BEFORE THE COMMITTEE)

IN FAVOR

OPPOSED

INFORMATION

WOULD LIKE TO REGISTER

IN FAVOR

OPPOSED

INFORMATION

CONSIDERATION OF AB 489
(BILL NUMBER)

DATE 3/13/90

JOINT SURVEY COMMITTEE ON RETIREMENT SYSTEMS

NAME Joanne Ricca
ADDRESS 6333 W. Bluemound
CITY Milwaukee STATE WI ZIP 53213
ORGANIZATION, IF ANY Wisconsin State AFL-CIO

WOULD LIKE TO TESTIFY (APPEAR BEFORE THE COMMITTEE)

IN FAVOR OPPOSED INFORMATION

WOULD LIKE TO REGISTER

IN FAVOR OPPOSED INFORMATION

CONSIDERATION OF AB 489
(BILL NUMBER)

DATE 3-13-90

JOINT SURVEY COMMITTEE ON RETIREMENT SYSTEMS

NAME TED RYAN
ADDRESS 2685 MILWAUKEE ST
CITY MADISON STATE WI ZIP 53704
ORGANIZATION, IF ANY PRO. FIRE FIGHTERS WI.

WOULD LIKE TO TESTIFY (APPEAR BEFORE THE COMMITTEE)

IN FAVOR OPPOSED INFORMATION

WOULD LIKE TO REGISTER

IN FAVOR OPPOSED INFORMATION

~~Assembly~~
SENATE HEARING SLIP

(Please Print Plainly)

DATE: 3-13

BILL NO. AB 489

or
SUBJECT _____

Ray delo Rosa
(Name)

200 E. Wells Rm 701F
(Street Address or Route Number)

Milwaukee WI
(City and Zip Code)

City of Milwaukee
(Representing)

Speaking in Favor:

Speaking Against:

Registering in Favor:

Registering Against:

Speaking for information only;
Neither for nor against:

Please return this slip to a messenger PROMPTLY.

Senate Sergeant at Arms
Room 204-S
State Capitol
Madison, Wisconsin 53702

**WISCONSIN LEGISLATIVE AUDIT BUREAU
AUDIT SUMMARY**

Report 89-27

September, 1989

DEPARTMENT OF EMPLOYE TRUST FUNDS

The Department of Employee Trust Funds administers the benefit programs available to public employes, including the Wisconsin Retirement System and various insurance programs. The Audit Bureau performs annual financial audits of the Department. This audit covers calendar year 1987.

Delays in Financial Reporting

Timely financial reporting is important for effective management of the various benefit programs and to ensure informed policy decisions are made regarding the programs. The Department's 1987 financial statements were not finalized and available for audit until April, 1989. The excessive delays in financial reporting have occurred as a result of the Department's efforts to implement a new computerized employe benefit system. The Department estimates the 1988 financial statements will be completed at the end of 1989.

Deficit in the Group Health Insurance Program

The group health insurance program first incurred a deficit in 1987, which is estimated to have totaled more than \$22 million by the end of 1988. The deficit is the result of claims and expenses exceeding contributions and investment income in the State's self-insured plan. The Department estimates the current deficit will be eliminated at the end of 1991. However, further study and actions are needed to address underlying problems in the standard plan.

Increasing Deficit in the Duty Disability Program

A deficit in the duty disability program, which provides benefits to protective employes covered under the retirement system, more than doubled during 1987. The Department estimates the deficit, which was the focus of a 1987 program evaluation by the Audit Bureau, totaled over \$6 million by the end of 1988. The Department established a new rate structure which is intended to fully fund current benefits in 1989 and retire the deficit by 1993.

OCT 2 1989

MURPHY & BRENNAN
ATTORNEYS AT LAW
1334 MILWAUKEE AVENUE
SOUTH MILWAUKEE, WISCONSIN 53172

JOSEPH G. MURPHY
KITTY K. BRENNAN

TELEPHONE
(414) 764-4410

October 2, 1989

Representative Richard Gorbschmidt
Room 103 West
State Capitol
P. O. Box 8952
Madison, WI 53708

RE: Assembly Bill 489

Dear Richard:

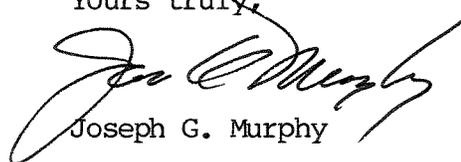
I recently read in a League of Wisconsin Municipalities Survey of new proposals introduced, that Representative Antaramian and Senator Te Winkle are proposing to establish a presumption for disability and death benefits in the Wisconsin Retirement System for firefighters. This proposal would effect firefighters who have served for ten years and die of cancer, thus establishing a presumption that that cancer was caused by their firefighting duties.

Richard, if there is any statistical evidence to back up this kind of presumption I would appreciate a copy of it. If however, as I suspect, this is just another jab in the taxpayers' pocketbook by the firefighters' union would you please do what you can to stop this nonsense.

As you know, my position on the current disability law is that it is wholly inappropriate since the benefit conferred in no way relates to the injury suffered or the degree of disability. I cannot fathom the illogic of proposals like this, nor of the current disability scheme which has no relationship between the degree of disability and the monetary award.

Again, I would be very interested in seeing the statistics that form the basis for this presumption. I would also be interested in attending any hearings that are ever conducted revising the provisions of Section 40.65, especially should there ever be a bill proposed which would relate the disability award to the degree of disability.

Yours truly,



Joseph G. Murphy

JGM:blb

October 5, 1989

Joseph Murphy
1334 Milwaukee Avenue
South Milwaukee, WI 53172

Dear Mr. Murphy:

Thank you for your recent letter regarding your concerns as they relate to Assembly Bill 489 which would establish that a firefighter's cancer is caused by his or her job. I certainly understand your concerns in this matter.

As you may know, AB 489 is currently in the Joint Survey Committee on Retirement Systems, of which I am the Co-Chairman. To date I have not yet scheduled a public hearing on this legislation. However, I will inform you when one is scheduled and I welcome your testimony. In addition, you may be assured that the Committee will carefully scrutinize this proposal.

For your reference I have enclosed a copy of this legislation, as well as a summary of an audit which was conducted on the Employee Trust Funds. As you can see the Duty Disability Program continues to run at a deficit.

Again, thank you for your interest in this matter and please do not hesitate to contact me with any additional questions or comments which you may have.

Sincerely,

RICHARD GROBSCHMIDT
State Representative
21st Assembly District

RG:lm

JAN 0 3 1990



State of Wisconsin \ JOINT SURVEY COMMITTEE ON RETIREMENT SYSTEMS
AND THE RETIREMENT RESEARCH COMMITTEE

December 28, 1989

BLAIR L. TESTIN
RESEARCH DIRECTOR

ROOM 203, 110 E. MAIN STREET
MADISON, WI 53703
(608) 266-3019

TO: Representative John Antaramian
FROM: Blair Testin, Director of Retirement Research *BT*
RE: Possible Approaches to Minimize Cancer Presumption Costs

The amendment which you recently introduced to A.B. 489 reminded me that I had promised to submit possible ideas to you which might minimize the costs of extending the presumption clause for firefighters to include cancer. I apologize for the delay, and hope that some of the following suggestions might be helpful.

1. Limit Presumption To Worker's Compensation Law

Presently, the presumption clause provided by s. 891.45 applies to Worker's Compensation claims and disability benefits under the Wisconsin Retirement System (WRS). Several of the states including Minnesota and California which have newly adopted a cancer presumption for firefighters have limited the presumption to Worker's Compensation Law. I believe this approach, if used in Wisconsin, would significantly limit the impact on our retirement system costs.

2. Limit Definition of Allowable Cancer

Most of the states that have adopted a cancer presumption provide that the "disabling cancer shall be of a type caused by exposure to heat, radiation, or a known or suspected carcinogen as defined by the International Agency for Research on Cancer and the carcinogen is reasonably linked to the disabling cancer". In addition, the Maryland presumption under its Worker's Compensation Law specifies that the cancer must be of the throat, prostate, rectal or pancreatic cancer or leukemia. I presume any effort to limit the type of cancer and also the severity would limit the cost impacts.

3. Length of Service Requirement

The regular presumption for firefighters under s. 891.45 now requires five years employment before disability. The new language contained in A.B. 489 relative to cancer would require 10 years of service before a cancer presumption would apply. The 10-year service would tend to limit the cost impact, and is similar to that found in the Illinois Pension Law.

4. Limit Cancer Presumption to 40.63 Disability

The 40.65 disability program which applies to protectives only can provide higher benefits than the duty-disability program under 40.63 which applies to all other WRS participants. 40.63 benefits are calculated as a regular retirement annuity, except that service is projected out to the date of normal retirement.

Hence, the 40.63 benefits can be as much as 65% of final average salary, depending on the age at first employment. Benefits under 40.65 are 80% of FAS for those who are totally disabled, or 75% for those who are partially disabled. In addition, the 40.65 program includes those who are only partially disabled while the 40.63 law requires total disability. Hence, if the cancer presumption for firefighters was limited to the duty-disability benefits under 40.63, the costs might be lower and it would apply only to those who are totally disabled--presumably the intent of the legislation.

I hope the above suggestions are helpful to you in determining the future direction for A.B. 489. I strongly believe that limiting any presumption to Worker's Compensation only, or limiting it to 40.63 benefit levels and requirements for total disability would help keep costs within reason. I would be happy to discuss any of these concepts further with you if you desire.

BT:db

✓ cc: Rep. Rick Grobschmidt

not being introduced



Tommy G. Thompson
Governor

State of Wisconsin \ OFFICE OF THE COMMISSIONER OF INSURANCE

Robert D. Haase
Commissioner

123 West Washington Avenue
P.O. Box 7873
Madison, Wisconsin 53707
(608) 266-3585

March 12, 1990

Senator Robert Jauch, Co-Chair
Joint Survey Committee on Retirement Systems
11 South, State Capitol
Madison, Wisconsin 53702

Subject: Assembly Amendment 2 to 1989 Assembly Bill 489

Dear Senator Jauch:

Attached is some information explaining the impact AB 489 will have on fire department dues, general revenues, and premium taxes.

Sincerely yours,

A handwritten signature in cursive script that reads "Robert Haase".

Robert D. Haase
Commissioner of Insurance

RDH:SDA:bm
375b
Attachment



State of Wisconsin \ OFFICE OF THE COMMISSIONER OF INSURANCE

Tommy G. Thompson
Governor

Robert D. Haase
Commissioner

123 West Washington Avenue
P.O. Box 7873
Madison, Wisconsin 53707
(608) 266-3585

March 12, 1990

Representative Richard Grobschmidt, Co-Chair
Joint Survey Committee on Retirement Systems
103 West, State Capitol
Madison, Wisconsin 53702

Subject: Assembly Amendment 2 to 1989 Assembly Bill 489

Dear Representative Grobschmidt:

Attached is some information explaining the impact AB 489 will have on fire department dues, general revenues, and premium taxes.

Sincerely yours,

Robert D. Haase
Commissioner of Insurance

RDH:SDA:bm
375b
Attachment

Tommy G. Thompson
Governor

March 12, 1990

Robert D. Haase
Commissioner

123 West Washington Avenue
P.O. Box 7873
Madison, Wisconsin 53707
(608) 266-3585

Wisconsin Legislature
Joint Survey Committee on Retirement Systems

RE: Assembly Amendment 2,
to 1989 Assembly Bill 489

This submission is provided for informational purposes regarding the estimated fiscal impact of increasing the fire department dues rate from the current rate of 2% to 2.5%.

Fire department dues are derived from domestic and nondomestic insurers. For 1988, approximately \$6.5 million was collected, with domestic insurers paying one half of this amount and nondomestic insurers paying the other half. This proposed legislation would result in domestic insurers paying an additional \$800,000 in fire dues. Nondomestic insurers would also pay an additional \$800,000 in fire dues, however, this would be offset by an \$800,000 reduction in their premium taxes. The net result of this would be a \$1.6 million increase in fire dues and an \$800,000 decrease in general revenues, with no increase in the amounts collected from nondomestic insurers.

Nondomestic insurers pay aggregate premium taxes to the State of Wisconsin based primarily on the tax laws of their state of domicile, pursuant to our retaliatory and reciprocal taxation laws (ss. 76.66 and 76.67 Wis. Stats.). Fire department dues levied on nondomestic insurers are allocated out of these aggregate taxes. Based on actual fire dues collected for 1988, the effects of the proposed rate increase would be as follows:

Amounts in thousands	1988 FD @ 2%	1988 FD @ 2.5%	Increase to FD	Decrease to Prem Tax
Town Mutuals	\$ 439	\$ 549	\$ 110	\$ 0
Domestics	2,793	3,491	698	0
Nondomestics	3,288	4,110	822	(822)
Totals	\$6,520	\$8,150	\$1,630	\$ (822)