

1991 Assembly Bill 101

Date of enactment: **April 2, 1992**
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1991 WISCONSIN ACT 141

AN ACT *to renumber* 40.05 (2) (g); *to amend* 40.04 (4) (a) 1, 40.26 (1) and 40.26 (4); and *to create* 40.03 (2) (r), 40.05 (1) (a) 6, 40.05 (2) (g) 2 and 40.08 (14) of the statutes, **relating to**: allowing rollovers from qualified pension plans to the Wisconsin retirement system, allowing the Wisconsin retirement system to be a payout option for the state deferred compensation plan and granting rule-making authority.

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

SECTION 1. 40.03 (2) (r) of the statutes is created to read:

40.03 (2) (r) Shall promulgate rules governing the times for making lump sum payments that are authorized under this chapter to be made to or from the Wisconsin retirement system and governing the valuation of money that has been sent, delivered or withdrawn, and the distribution of investment income to be credited on those amounts. The rules may modify the accounting and valuation bases and the investment earnings distribution procedures of the Wisconsin retirement system to the extent necessary to achieve equity among the various types of payments and contributions to, and payments from, the Wisconsin retirement system.

SECTION 3. 40.04 (4) (a) 1. of the statutes is amended to read:

40.04 (4) (a) 1. Credited with all employe contributions made under s. 40.05 (1) ~~and~~ all employer additional contributions made under s. 40.05 (2) (g) 1, all additional contributions under s. 40.05 (2) (g) 2, and all contribution accumulations reestablished under s. 40.26 or 40.63 (10).

SECTION 4. 40.05 (1) (a) 6. of the statutes is created to read:

40.05 (1) (a) 6. Under the rules promulgated under s. 40.03 (2) (r), additional contributions may be made to the fixed annuity division by any participant by rollover contribution of a payment or distribution from a pension or

annuity qualified under section 401 of the internal revenue code, as defined in s. 71.01 (6), subject to any limitations imposed on contributions by the internal revenue code, applicable regulations adopted under the internal revenue code and rules of the department.

SECTION 5. 40.05 (2) (g) of the statutes is renumbered 40.05 (2) (g) 1.

SECTION 6. 40.05 (2) (g) 2. of the statutes is created to read:

40.05 (2) (g) 2. Under the rules promulgated under s. 40.03 (2) (r), a participant may, as a payout option for the deferred compensation plan established under subch. VII, elect to have the entire balance in the participant's account under subch. VII treated as an additional contribution to the fixed annuity division, subject to any limitations imposed on contributions by the internal revenue code, applicable regulations adopted under the internal revenue code and rules of the department. Additional contributions under this subdivision shall be available for all benefit purposes and shall be administered and invested on the same basis as employe additional contributions, except that ss. 40.24 (1) (f) and 40.25 (4) do not apply to additional contributions under this subdivision and s. 40.26 does not apply to an annuity received from additional contributions under this subdivision.

SECTION 7. 40.08 (14) of the statutes is created to read:

40.08 (14) LUMP SUM ROLLOVERS TO OTHER RETIREMENT PLANS. If a participant who is entitled to receive a lump sum payment from the Wisconsin retirement sys-

– 2 –

tem and who has an account established under any other retirement plan located in the United States so directs in writing, on a form prescribed by the department, the department shall pay the lump sum payment directly to the participant's account under that other retirement plan for credit under that other retirement plan.

SECTION 8. 40.26 (1) of the statutes is amended to read:

40.26 (1) Except as provided in ~~s. ss. 40.05 (2) (g) 2~~ and 40.23 (1) (am), if a participant receiving a retirement annuity, or a disability annuitant who has attained his or her normal retirement date, receives earnings after January 1, 1982, subject to s. 40.05 (1), or which would be subject to s. 40.05 (1) except for the exclusions specified in ss. 40.02 (54) (a), 40.21 (3) and (4) and 40.22 (2), the annuity shall be terminated and no payment shall be payable after the month in which the total earnings subject to s. 40.05 (1), or which would be subject to s. 40.05 (1) except for the exclusions specified in ss. 40.02 (54) (a),

1991 Assembly Bill 101

40.21 (3) and (4) and 40.22 (2), received in any annual earnings period exceeds an amount equal to 36 times the participant's final average earnings divided by 5, increased each January 1 after the annuity effective date by the prior year's salary index, ignoring fractions of a dollar.

SECTION 9. 40.26 (4) of the statutes is amended to read:

40.26 (4) Upon subsequent termination of all participating employment of an annuitant who receives compensation subject to s. 40.05 (1), but whose compensation did not exceed the level specified in sub. (1) which would have required termination of the original annuity, any contributions made under s. 40.05 (1) or (2) (g) 1 based on the additional employment shall upon application be paid the annuitant on the basis specified in s. 40.25 (2) and (3) without regard to the age requirement and without any change in the original annuity.