



**SENATE AMENDMENT 4,
TO 1995 SENATE BILL 449**

March 26, 1996 - Offered by JOINT COMMITTEE ON FINANCE.

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 5, line 24: delete "proposed and".

3 **2.** Page 6, line 19: before "year in which" insert "calendar".

4 **3.** Page 6, line 20: after "year" insert "following the calendar year".

5 **4.** Page 6, line 21: before that line insert:

6 "SECTION 10m. 40.03 (1) (am) of the statutes is created to read:

7 40.03 (1) (am) Shall ensure that the Wisconsin retirement system complies
8 with the internal revenue code as a qualified plan for income tax purposes and shall
9 ensure that each benefit plan is administered in a manner consistent with all
10 internal revenue code provisions that authorize and regulate the benefit plan."

11 **5.** Page 11, line 8: delete "credited" and substitute "transferred".

12 **6.** Page 11, line 10: delete the material beginning with "If" and ending with the
13 period on line 12.

14 **7.** Page 11, line 13: before that line insert:

1 “2m. If the estate was the designated beneficiary under s. 40.02 (8) (a) 1. and
2 the estate is closed prior to the payment of benefits payable under this chapter as a
3 result of death of the participant and the estate is not reopened within 6 months after
4 the department notifies the estate that a benefit is payable, the department shall pay
5 the benefit to a beneficiary as determined under s. 40.02 (8) (a) 2. If the department
6 is unable to locate any such beneficiary within 6 months, all such beneficiaries shall
7 be presumed to have predeceased the participant and the benefit shall be considered
8 irrevocably abandoned and shall be transferred to the employer accumulation
9 reserve.”.

10 **8.** Page 14, line 14: before “year following” insert “calendar”.

11 **9.** Page 16, line 14: after “payee” insert: “in the form of an annuity specified
12 under s. 40.24 (1) (c) or as determined by the department by rule”.

13 **10.** Page 17, line 5: delete lines 5 to 15 and substitute:

14 “(e) 1. Subject to subds. 2. to 4., if a participant dies before the distribution of
15 benefits has commenced and the participant’s beneficiary is the spouse, the
16 department shall begin the distribution within 5 years after the date of the
17 participant’s death.

18 2. If the spouse files a subsequent beneficiary designation with the department,
19 the payment of the distribution may be deferred until the January 1 of the year in
20 which the participant would have attained the age of 70.5 years.

21 3. If the spouse does not apply for a distribution, the distribution shall begin
22 as an automatic distribution as provided under subd. 1. or under par. (c), whichever
23 distribution date is earlier.

1 4. If the spouse dies, but has designated a new beneficiary, the birth date of the
2 spouse shall be used for the purposes of determining the required beginning date.

3 5. The department shall specify by rule all procedures relating to an automatic
4 distribution to the spouse. These rules shall comply with the internal revenue code.”.

5 **11.** Page 18, line 23: delete the material beginning with that line and ending
6 with page 19, line 6.

7 **12.** Page 19, line 18: strike through the period.

8 **13.** Page 19, line 22: delete the stricken period and substitute: “except that
9 the department may, by rule, permit a participating employe to reestablish
10 creditable service by making payments over a period of more than one year.”.

11 **14.** Page 20, line 7: after that line insert:

12 “**SECTION 36m.** 40.25 (7) (g) of the statutes is created to read:

13 40.25 (7) (g) The payment under par. (a) 5., in combination with any other
14 required contributions or additional contributions, may not exceed the maximum
15 contribution limit under section 415 of the internal revenue code.”.

16 **15.** Page 22, line 6: after “40.23” insert “(2) (a), (2m) (c) and (3)”.

17 **16.** Page 22, line 11: on lines 11 and 13, delete “earnings” and substitute
18 “compensation”.

19 **17.** Page 22, line 13: after the period insert: “In this subdivision,
20 “compensation” has the meaning of “compensation” under section 415 (c) (3) of the
21 internal revenue code.”.

22 **18.** Page 24, line 22: after “(a)” insert “and (7) (a)”.

23 **19.** Page 25, line 3: delete lines 3 and 4.

