

2001 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-SB55)

Received: **06/23/2001**

Received By: **champra**

Wanted: **Today**

Identical to LRB:

For: **Assembly Republican Caucus**

By/Representing: **Hartsough**

This file may be shown to any legislator: **NO**

Drafter: **champra**

May Contact:

Addl. Drafters:

Subject: **Employ Pub - employee benefits**
Employ Pub - retirement

Extra Copies:

Submit via email: **NO**

Requester's email:

Pre Topic:

ARC:.....Hartsough - AM48,

Topic:

Required contribution rates under the Wisconsin retirement system

Instructions:

See Attached.

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	champra 06/23/2001	wjackson 06/23/2001		_____			
/1			jfrantze 06/23/2001	_____	lrb_docadmin 06/23/2001		

FE Sent For:

<END>

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1?	champra	1 wj 6/23	Jo 6/23	Self 6/23			

FE Sent For:

<END>

Budget Amendments 2001 - 2003

Prepared by the Assembly Republican Caucus

Statement of Intent Establish a 5% required employee contribution rate under the WRS. Eliminate the benefit adjustment contribution.

Legislator	Vrakas	Amendment	48
Legislator 2		Pass or Fail	Pass
Legislator 3		Spending Cut	
Legislator 4		Withdrawn	
Staff contact	Brian Pleva	Package	

Agency Employee Trust Funds

Summary Under current law, required employer and employee contributions under the Wisconsin retirement system (WRS), and the earnings on these contributions, fund the cost of providing retirement annuities to public employees who are covered under the WRS. While required employee contribution rates are set by statute, these rates do not necessarily reflect the actual required employee contribution rates. The reason is that current law also provides that any increase or decrease in contribution rates must be reflected equally in reductions or increases in the required employer and employee contribution rates.

The amendment establishes a 5% required employee contribution rate under the WRS for all participating employees and eliminates the requirement that any increase or decrease in contribution rates must be reflected equally in reductions or increases in the required employer and employee contribution rates.

Under current law, certain WRS benefit improvements are funded by a benefit adjustment contribution. This contribution is treated as if it were an employer contribution regardless of whether the employee or employer pays the contribution.

The amendment eliminates the benefit adjustment contribution. As a result of this change, any increase or decrease in the cost of WRS retirement benefits that is not otherwise covered under the 5% required employee contribution rate must be paid as part of the required employer contribution rate.

Fiscal Impact There is no significant actuarial effect or cost to the Wisconsin Retirement System.

Drafting Inst

ARC Analyst Hartsough

RAC

1585

Request # 184

2001

Date (time)
needed

5:00 PM

LRB b 1585, 1

**ARC CAUCUS BUDGET AMENDMENT
[ONLY FOR CAUCUS]**

RAC : WJ :

See form **AMENDMENTS — COMPONENTS & ITEMS.**

**CAUCUS AMENDMENT
TO ASSEMBLY SUBSTITUTE AMENDMENT 1
TO 2001 SENATE BILL 55**

>>FOR CAUCUS SUPERAMENDMENT — NOT FOR INTRODUCTION<<

At the locations indicated, amend the substitute amendment as follows:

~~#. Page , line :~~

~~#. Page , line :~~

~~#. Page , line :~~

~~#. Page , line :~~

~~#. Page , line :~~

~~#. Page , line :~~



SDC:.....Keckhaver - CN6009, Wisconsin retirement system contribution
rate changes

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS SENATE AMENDMENT

TO SENATE SUBSTITUTE AMENDMENT 1,

TO 2001 SENATE BILL 55

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 534, line 23: after that line insert:

3 "SECTION 1398n. 40.05 (1) (a) (intro.) of the statutes is amended to read:

4 40.05 (1) (a) (intro.) Except as provided in par. (b) ~~and sub. (2n)~~.

5 SECTION 1398o. 40.05 (1) (a) 2. of the statutes is amended to read:

6 40.05 (1) (a) 2. For each participating employee whose formula rate is
7 determined under s. 40.23 (2m) (e) 2., 5.5% 5% of each payment of earnings.

8 SECTION 1398p. 40.05 (1) (a) 3. of the statutes is amended to read:

9 40.05 (1) (a) 3. For each participating employee whose formula rate is
10 determined under s. 40.23 (2m) (e) 3., ~~6%~~ 5% of each payment of earnings.

1 **SECTION 1398q.** 40.05 (1) (a) 4. of the statutes is amended to read:

2 40.05 (1) (a) 4. For each participating employee whose formula rate is
3 determined under s. 40.23 (2m) (e) 4., ~~8%~~ 5% of each payment of earnings.

4 **SECTION 1398r.** 40.05 (2m) of the statutes is repealed.

5 **SECTION 1398s.** 40.05 (2n) of the statutes is repealed.

6 **SECTION 1398t.** 40.32 (1) of the statutes is amended to read:

7 40.32 (1) The sum of all contributions allocated to a participant's account under
8 each defined contribution plan sponsored by the employer, including all employer
9 contributions and picked-up contributions credited with interest at the effective rate
10 under ss. 40.04 (4) (a) and (5) (b) and 40.05 (2) (g) and all employee contributions
11 made under ss. 40.02 (17) and 40.05 (1) and ~~(2m)~~, may not in any calendar year
12 exceed the maximum contribution limitation established under section 415 (c) of the
13 Internal Revenue Code.”.

14 **2.** Page 913, line 2: after that line insert:

15 “**SECTION 2612m.** 111.91 (1) (cm) of the statutes is amended to read:

16 111.91 (1) (cm) Except as provided in sub. (2) ~~(g)~~ and (h) and ss. 40.02 (22) (e)
17 and 40.23 (1) (f) 4., all laws governing the Wisconsin retirement system under ch. 40
18 and all actions of the employer that are authorized under any such law which apply
19 to nonrepresented individuals employed by the state shall apply to similarly situated
20 employees, unless otherwise specifically provided in a collective bargaining
21 agreement that applies to those employees.

22 **SECTION 2612r.** 111.91 (2) (g) of the statutes is repealed.”.

23 **3.** Page 1418, line 14: after that line insert:



ARC:.....Hartsough - AM48, Required contribution rates under the
Wisconsin retirement system

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS ASSEMBLY AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 2001 SENATE BILL 55

1 At the locations indicated, amend the substitute amendment as follows:

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