

Committee Name:

**Joint Survey Committee – Retirement Systems
(JSC–RS)**

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**WISCONSIN LEGISLATIVE COUNCIL
STAFF MEMORANDUM**

TO: SENATOR ROBERT WIRCH AND REPRESENTATIVE DAN VRAKAS, CO-CHAIRS,
JOINT SURVEY COMMITTEE ON RETIREMENT SYSTEMS

FROM: William Ford, Senior Staff Attorney *WF*

RE: Comparison of Three Bills Relating to Creditable Military Service Under the Wisconsin Retirement System

DATE: November 13, 2001

As you requested, this memorandum provides a brief comparison of the provisions of three bills (Senate Bill 13, Assembly Bill 414 and Senate Bill 90) relating to creditable military service for purposes of the Wisconsin Retirement System (WRS).

Current Law

Under the WRS, annuities determined under the formula benefit provisions are based upon the number of years of service a person has earned as a participant working for a WRS employer. However, a participating employee under the WRS may, under certain circumstances, receive additional years of creditable service for service in the military. This extra military service credit may be earned in either of the following two ways, but may not exceed a total of four years of creditable service.

1. A participant may receive one year of military service credit for each year of military service if the participant leaves WRS employment to enter military service, returns to the same employer within 180 days after being discharged, and was not dishonorably discharged.
2. A participant may receive one year of military service credit for each year of military service and each five years of WRS creditable service (as limited by the four-year maximum military service credit restriction) if: (a) the military service was performed before 1974; (b) the participant terminates WRS employment on or after March 9, 1984; and (c) the military service is not used to claim a retirement benefit paid by the federal government and the participant was not dishonorably discharged.

2001 Senate Bill 13

Senate Bill 13 would *delete* the provision of current law that military service credits described in item 2. may not be received if the military service is used for the purpose of establishing entitlement to a retirement benefit that is paid by the federal government. Senate Bill 13 would first apply to WRS participants who terminate WRS employment on the effective date of the bill.

2001 Assembly Bill 414

Assembly Bill 414 is similar to Senate Bill 13 in that it would *also delete* the provision of current law that military service credits described in item 2. may not be received if the military service is used for the purpose of establishing entitlement to a retirement benefit that is paid by the federal government. In addition, Assembly Bill 414 would provide that military service credits described in item 2. may be received *regardless* of when the military service was performed, not just military service performed before 1974. Assembly Bill 414 would first apply to WRS participants who terminate WRS employment on the effective date of the bill.

2001 Senate Bill 90

Senate Bill 90 would allow a person to claim military service credit described in item 2. if the participant's service was terminated because he or she was laid off during the period beginning on July 1, 1980, and ending on March 8, 1984. Therefore, under Senate Bill 90, a person could claim military service credit described in item 2. if either the person terminated WRS employment on or after March 9, 1984, or was laid off during the period beginning July 1, 1980 up to March 8, 1984.

Senate Bill 90 would first apply to annuities paid on the effective date of the bill. However, because the bill would provide benefits to persons who have retired from the WRS, any increases in annuities paid under the bill would be paid from general purpose revenues. [Wis. Const. art. IV, s. 26.]

Please contact me at the Legislative Council Staff offices if I can be of further assistance.

WF:tlujal;tlu