

SENATE BILL 491 (LRB -0876)

An Act to renumber and amend 40.73 (1) (am); to amend 40.23 (3) and 40.285 (4) (d); and to create 40.73 (1) (am) 1., 40.73 (1) (am) 2. and 40.73 (1) (am) 3. of the statutes; relating to: calculation of death benefits and the amount of a money purchase annuity under the Wisconsin Retirement System (suggested as remedial legislation by the Department of Employee Trust Funds).

2005

- 03-01. S. Introduced by **LAW REVISION COMMITTEE.**
- 12-27. S. Read first time and referred to joint survey committee on Retirement Systems ..... 512

2006

- 03-01. S. Report of joint survey committee on Retirement Systems received.
- 03-01. S. Referred to committee on Senate Organization.
- 03-01. S. Available for scheduling.
- 03-01. S. Placed on calendar 3-2-2006 by committee on Senate Organization.
- 03-02. S. Read a second time.
- 03-02. S. Ordered to a third reading.
- 03-02. S. Rules suspended.
- 03-02. S. Read a third time and **passed.**
- 03-02. S. Ordered immediately messaged.
- 03-07. A. Received from Senate ..... 910
- 03-07. A. Read first time and referred to committee on Rules ..... 912
- 03-07. A. Placed on calendar 3-9-2006 by committee on Rules.
- 03-07. A. Made a special order of business at 10:49 A.M. on 3-9-2006 pursuant to Assembly Resolution 51 ..... 933
- 03-09. A. Read a second time ..... 952
- 03-09. A. Ordered to a third reading ..... 952
- 03-09. A. Rules suspended ..... 952
- 03-09. A. Read a third time and **concurred in** ..... 952
- 03-09. A. Ordered immediately messaged ..... 952
- 03-10. S. Received from Assembly concurred in.

*GMB*

2005  
ENROLLED BILL

05en S B- 491

ADOPTED DOCUMENTS:

Orig     Engr         SubAmdt     

05-0876/2

Amendments to above (if none, write "NONE"): None

Corrections - show date (if none, write "NONE"): None

Topic Rel, w/o parenthetical

3-15-06      J. Miller  
Date                      Enrolling Drafter

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**2005 SENATE BILL 491**

December 27, 2005 - Introduced by LAW REVISION COMMITTEE. Referred to Joint Survey Committee on Retirement Systems.

1 **AN ACT** *to renumber and amend* 40.73 (1) (am); *to amend* 40.23 (3) and 40.285  
2 (4) (d); and *to create* 40.73 (1) (am) 1., 40.73 (1) (am) 2. and 40.73 (1) (am) 3.  
3 of the statutes; **relating to:** calculation of death benefits and the amount of a  
4 money purchase annuity under the Wisconsin Retirement System (suggested  
5 as remedial legislation by the Department of Employee Trust Funds).

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***Analysis by the Legislative Reference Bureau***

Current law, under the Wisconsin Retirement System (WRS), permits participants to purchase other governmental service for receiving creditable service under the WRS. This bill provides that, for purposes of receiving a WRS death benefit, the employer is not required to match any other governmental service purchased by a participant.

For further information, see the NOTES provided by the Law Revision Committee of the Joint Legislative Council.

This bill will be referred to the Joint Survey Committee on Retirement Systems for a detailed analysis, which will be printed as an appendix to this bill.

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

LAW REVISION COMMITTEE PREFATORY NOTE: This bill is a remedial legislation proposal, requested by the Department of Employee Trust Funds and introduced by the

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Law Revision Committee under s. 13.83 (1) (c) 4., stats. After careful consideration of the various provisions of the bill, the Law Revision Committee has determined that this bill makes minor substantive changes in the statutes, and that these changes are desirable as a matter of public policy.

According to the Department of Employee Trust Funds, the provisions of this bill reflect current practice and serve to conform the provisions for calculating WRS annuity and death benefits to the historical prohibition on using employer contributions to match any other governmental service purchased by a participant.

1           **SECTION 1.** 40.23 (3) of the statutes is amended to read:

2           40.23 (3) The initial monthly amount of any retirement annuity in the normal  
3 form shall not be less than the money purchase annuity which can be provided by  
4 applying the sum of the participant's accumulated additional and required  
5 contributions, including interest credited to the accumulations, plus an amount from  
6 the employer accumulation reserve equal to the participant's accumulated required  
7 contributions, less any accumulated contributions to purchase other governmental  
8 service under s. 40.285 (2) (b) or 40.25 (7), 2001 stats., to fund the annuity in  
9 accordance with the actuarial tables in effect on the annuity effective date.

10           **SECTION 2.** 40.285 (4) (d) of the statutes is amended to read:

11           40.285 (4) (d) *Treatment of amounts to purchase creditable service.* All amounts  
12 retained by the department for the purchase of creditable service under sub. (2) shall  
13 be credited and treated as employee required contributions for all purposes of the  
14 Wisconsin retirement system Retirement System, except ~~that amounts received for~~  
15 ~~the purchase of creditable service under sub. (2) (b) may not be used for the purpose~~  
16 ~~of making calculations under s. as provided in ss. 40.23 (3) or and 40.73 (1) (am).~~

17           **SECTION 3.** 40.73 (1) (am) of the statutes is renumbered 40.73 (1) (am) (intro.)  
18 and amended to read:

19           40.73 (1) (am) (intro.) Upon the death of a participating employee, except as  
20 otherwise provided by par. (c), the sum of ~~the additional contribution and twice the~~

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1 ~~employee required contribution accumulations credited~~ all of the following  
2 accumulations, including any interest credited to the accumulations, that are  
3 credited to the participant's account on the beneficiary annuity effective date or, in  
4 the case of a lump sum payment, the first day of the month in which the death benefit  
5 is approved.;

6 **SECTION 4.** 40.73 (1) (am) 1. of the statutes is created to read:

7 40.73 (1) (am) 1. Additional contributions.

8 **SECTION 5.** 40.73 (1) (am) 2. of the statutes is created to read:

9 40.73 (1) (am) 2. Accumulated contributions to purchase other governmental  
10 service under s. 40.285 (2) (b) or 40.25 (7), 2001 stats.

11 **SECTION 6.** 40.73 (1) (am) 3. of the statutes is created to read:

12 40.73 (1) (am) 3. Twice the employee required contributions, after first  
13 subtracting the accumulations under subd. 2., including interest on the  
14 accumulations.

15 (END)