



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2011 Assembly Bill 318	Assembly Substitute Amendment 2
<i>Memo published: March 5, 2012</i>	<i>Contact: Margit S. Kelley, Staff Attorney (266-9280)</i>

CURRENT LAW

Under current law, if a retiree who is receiving an annuity under the Wisconsin Retirement System (WRS) returns to work with any WRS employer, the retiree may choose to continue the annuity payments. If the retiree continues to receive the annuity, the person would not be eligible for group health insurance benefits and would not accrue any additional years of creditable service in the WRS.

2011 ASSEMBLY BILL 318

Assembly Bill 318 provides that if a retiree who is receiving an annuity under the WRS returns to work with any WRS employer at least half-time, either as a direct or contract employee, the annuity payments would be terminated during the employment. The person would be eligible for group health insurance benefits, but would not accrue any additional years of creditable service in the WRS.

These provisions are applicable to any retiree who returns to work after the bill is enacted.

ASSEMBLY SUBSTITUTE AMENDMENT 2

Assembly Substitute Amendment 2 maintains the provisions requiring termination of annuity payments and allowing eligibility for group health insurance benefits if returning to work with any WRS employer at least half-time, but also allows the retiree to be considered a WRS participant during the employment. The retiree would not accrue any additional years of creditable service in the WRS, but would receive a payout of the employee's portion of contributions to WRS as a lump sum after the employment. These provisions are applicable to any person retiring after the bill is enacted.

The substitute amendment also does the following:

- Revises the mandatory separation period under current law before a retiree can be re-hired with any WRS employer from 30 days to 75 days.
- Revises the exemption from the requirement in the 2011-13 Biennial Budget Bill to be a two-thirds-time employee in order to become a participating employee in WRS from any employee first hired by any WRS employer before July 1, 2011, to any employee participating in WRS before July 1, 2011.

LEGISLATIVE HISTORY

Assembly Bill 318 was introduced on October 8, 2011, by Representative Stroebel and others. Assembly Substitute Amendment 2 was introduced on February 21, 2012, by Representative Stroebel, and adopted on February 23, 2012, by the Assembly Committee on Insurance, on a vote of Ayes, 12; Noes, 4. The committee also recommended passage of the bill, as amended, on a vote of Ayes, 12; Noes, 4.

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