

ETF 1,2

Filed April 1, 1974

2:30 p.m. GJP



State of Wisconsin \ DEPARTMENT OF EMPLOYE TRUST FUNDS

 Clyde M. Sullivan
 Secretary

 201 EAST WASHINGTON AVENUE
 MADISON, WISCONSIN 53702
 TELEPHONE 266-3285
 AREA CODE 608

April 1, 1974

IN REPLY REFER TO NO.:

 James J. Burke
 Revisor of Statutes
 411 West, State Capitol
 Madison, Wisconsin

Dear Mr. Burke:

Enclosed is an Order Adopting Rules and a Certification of such rules. The original in each case has been forwarded to the Secretary of State.

The rules were noticed for public hearing in the Wisconsin Administrative Register for February, 1974, No. 218. The hearing was held on March 11, 1974; no objection to the proposed rules was received then, or at any other time. Subsequently, in accordance with the requirements of Chapter 162, Laws of 1973, the proposed rules were submitted to, and approved by, the Joint Survey Committee on Retirement Systems, as shown by the enclosed statement from the Committee.

Sincerely,

A handwritten signature in cursive script that reads "C. M. Sullivan".

 C. M. Sullivan
 Secretary

CMS:fc

Enclosure

State of Wisconsin)
) ss
Department of Employee Trust Funds)

To All Whom These Presents Shall Come, Greetings:

I, Clyde M. Sullivan, Secretary of Employee Trust Funds, and custodian of the official records of the Wisconsin Department of Employee Trust Funds, do hereby certify that the annexed rules, relating to the operations of the Department, were duly approved and adopted by the Employee Trust Funds Board on March 28, 1974.

I further certify that said copy has been compared by me with the original on file in the offices of the Department, and that same is a true copy thereof, and of the whole of such original.

In Testimony Whereof, I have hereunto set my hand at the Capitol, in the City of Madison, this 28th day of March, 1974.

Clyde M. Sullivan

Clyde M. Sullivan
Secretary of Employee Trust Funds

Order of The Employe Trust Funds Board
Adopting Rules

Pursuant to authority vested in the Employe Trust Funds Board by section 40.84 (3), Wis. Stats. (as created by Chapter 127, Laws of 1973), the Employe Trust Funds Board hereby adopts rules as follows:

Chapter ETF 1 and Chapter ETF 2 of the Wisconsin Administrative Code are adopted to read:

Wisconsin Administrative Code
Rules of
Department of Employee Trust Funds

Chapter ETF 1

Definitions

ETF 1.01 Definitions. The following are definitions for words, phrases and terms used in all ETF rules:

- (1) "Department" means the Department of Employee Trust Funds created by s. 15.16, Wis. Stats.
- (2) "Board" means the Employee Trust Funds Board created by s. 15.16 (1), Wis. Stats.
- (3) "Retirement program" means a retirement fund or system created by Chapter 41 or 42, Wis. Stats.
- (4) "Creditable service" has the meaning set forth in s. 41.09, Wis. Stats., relative to the Wisconsin Retirement Fund; s. 42.245, Wis. Stats., relative to the State Teachers Retirement System; and s. 42.78, Wis. Stats., relative to the Milwaukee Teachers Retirement Fund.

Chapter ETF 2

Intrastate Retirement Reciprocity

ETF 2.01 Authorization. Pursuant to the authority granted by s. 40.84 (3), Wis. Stats., the board promulgates this Chapter ETF 2 for the purpose of assuring compliance with the legislative intent to encourage career public service through a program of intrastate retirement reciprocity, by permitting earnings and service under two or more retirement programs to be used or combined for benefit computation and eligibility purposes under each retirement program.

ETF 2.02 Eligibility. (1) This chapter applies only to a person who has some creditable service after November 29, 1973, under at least one retirement program and whose creditable service under all retirement programs has terminated.

(2) To give effect to the concept of encouraging career public service this chapter applies only to any period of continuous creditable service under two or more retirement programs, but any interruption of such creditable service which lasts less than three full calendar years shall not be considered to break the continuity of such creditable service.

(3) This chapter does not apply to any period of creditable service under a retirement program which preceded payment of a separation or withdrawal benefit or annuity by that retirement program.

(4) This chapter does not apply to any person who does not have at least three years of earnings under one retirement program except for purposes of establishing eligibility for a disability or death benefit.

ETF 2.03 Basis of benefit computations. (1) The monthly rate of earnings to be applied to the appropriate formula computations under each retirement program shall be the highest of the following rates, determined on the basis of not less than three years of earnings:

(a) Formula final rate of earnings determined under s. 41.02 (21) (c), Wis. Stats.; or,

(b) Final average compensation determined under s. 42.20 (26) (c), Wis. Stats.; or

(c) Final average compensation determined under s. 42.70 (2) (v), Wis. Stats.

(2) A person to whom this chapter applies shall be eligible for a formula annuity computation under each retirement program from which the person is eligible, or would be eligible in the absence of minimum annuity provisions, to receive an annuity. The formula to be used in each case shall be the formula in effect for each type of service under each retirement program on the latest date for which such person received creditable service under any retirement program.

(3) The benefit computation provided by this section shall not be used by a retirement program if such use would result in a smaller benefit being payable by that retirement program.

(4) When creditable service under two or more retirement programs is combined to establish eligibility for a disability benefit, each retirement program shall compute and pay a disability benefit but only the retirement program under which the person was last covered shall include in creditable service assumed service after the date the disability occurred. If the person had simultaneous coverage under two or more retirement programs at the time the disability occurred, only the retirement program under which the person had the most creditable service shall include such assumed service in the creditable service computation.

(5) A person who qualifies for and receives a disability annuity under a retirement program due to a combination of service under two or more retirement programs, shall not lose such eligibility if, after payment of the disability annuity from one retirement program has started, the person receives a lump sum settlement and forfeits his rights to an annuity from the other retirement program.

The rules contained herein shall take effect as provided in section 227.026
(1) (intro.), Wis. Stats.

Dated, March 28, 1974

Employee Trust Funds Board

Clyde M. Sullivan
Clyde M. Sullivan
Secretary of Employee Trust Funds