

CERTIFICATE

RECEIVED

STATE OF WISCONSIN)
) SS
DEPARTMENT OF EMPLOYE TRUST FUNDS)

FEB 15 1983
10:45 am
Revisor of Statutes
Bureau

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Gary I. Gates, Secretary of the Department of Employee Trust Funds, and custodian of the official records do hereby certify that the annexed rules relating to the reestablishment of creditable service forfeited were duly approved by the Employee Trust Funds, Teachers Retirement, and Wisconsin Retirement Boards and adopted by this department on February 14, 1983. I further certify that this copy has been compared by me with the original on file in this department and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto set my hand at 201 East Washington Avenue, in the City of Madison, this 14th day of February, 19 83.

Gary I. Gates
Gary I. Gates, Secretary
Department of Employee Trust Funds

ORDER OF THE DEPARTMENT OF EMPLOYE TRUST FUNDS
RENUMBERING, RENUMBERING AND AMENDING
AND ADOPTING RULES

To renumber s. ETF 9.01 (1); to renumber and amend ss. ETF 9.01 (2) and (3) and 9.02; and to create s. ETF 20.15 (4), relating to reestablishment of credit-able service forfeited, payments in default.

Analysis Prepared by the Department of Employee Trust Funds

Chapter ETF 9 is concerned with the reestablishment of creditable service previously forfeited under the Wisconsin retirement system through receipt of a separation benefit. Presently the rule provides that, if a participant applies for and defaults in the purchase of creditable service previously forfeited, the participant may reapply for the purchase of this service only if the participant closes his or her account through receipt of a separation benefit. The amendment to this rule extends this provision so that participants who close their accounts through receipt of an annuity may also reapply for purchase of the forfeited service so long as other conditions as specified in the law are met.

The creation of s. ETF 20.15 (4) provides that the application to reestablish creditable service will not be cancelled under certain conditions if a defaulted payment is the result of an involuntary leave of absence or a termination which is being appealed by the participant.

Renumbering ch. ETF 9 places these rules within the newly proposed ch. ETF 20. Eventually all rules administered by the Department of Employee Trust Funds will be in the reorganized ETF series to facilitate locating rules and to correspond more closely to the organization of ch. 40, Stats., as created by ch. 96, Laws of 1981.

These rules interpret s. 40.25 (6), Stats., as created by ch. 96, Laws of 1981.

Pursuant to the authority vested in the Department of Employee Trust Funds by s. 40.03 (2) (i), Stats., as created by ch. 96, Laws of 1981, the Department of Employee Trust Funds hereby renumbers, renumbers and amends, and creates rules interpreting s. 40.25 (6), Stats., as created by ch. 96, Laws of 1981, as follows:

SECTION 1. ETF 9.01 (1) is renumbered ETF 20.15 (1).

SECTION 2. ETF 9.01 (2) and (3) are renumbered ETF 20.15 (2) and (3) and as renumbered are amended to read:

(2) Upon making application, the amount payable shall be due within 30 days from the date of the notice by the department of the amount due or, if the creditable service being reestablished exceeds two years, may be divided into five equal annual installments to be received by the department on or before December 31, beginning with the December 31 following the date the application is received by the department. Interest shall be added to each installment after the first installment at the fixed effective rate as defined in s. 40.02 (23), Stats., and shall be paid in full each year on the unpaid principal balance remaining on the prior January 1. The participant may prepay any or all installments at the same time the regular annual installment is due. Any unpaid balance including interest on that balance to the next regular installment date which is due at the time any benefit application is received shall be paid prior to approval of the benefit application. Failure to pay the installments as due shall result in notification by the department of the past due installment. If within 30 days from the date of ~~such~~ the notification, the past due amount is not received or the department is not advised in writing by the employe of eligibility under sub. (4), and eligibility is subsequently certified by the employer, all amounts previously paid plus any interest credited to the amounts shall be refunded and the application to reestablish the forfeited service shall be cancelled.

(3) ~~Application~~ Except as provided in sub. (4), application to reestablish credits under s. 40.25 (6), Stats., shall be accepted only once for a participant unless the participant receives a subsequent separation benefit, a retirement annuity under s. 40.23, Stats., or s. 40.24, Stats., or a lump sum payment under s. 40.25 (1), Stats., and reapplies under the provisions of s. 40.25 (6), Stats.

SECTION 3. ETF 9.02 is renumbered ETF 20.16 and as renumbered is amended to read:

ETF 20.16 CREDIT FOR SERVICE DURING QUALIFYING PERIOD. If a participating employe has previously received a separation benefit, and the employe has reestablished the maximum possible forfeited creditable service under s. 40.25 (6), Stats., the employe may receive credit for service during any qualifying period if otherwise eligible under s. 40.02 (17) (b), Stats.

SECTION 4. ETF 20.15 (4) is created to read:

(4) If a participant fails to pay an installment, as required by sub. (2), to reestablish credits under s. 40.25 (6), Stats., the application shall not be cancelled if failure to pay is due to an involuntary leave of absence or is due to a discharge or removal from the employe's covered employment and the employe exercises a right to appeal within 30 days of the discharge or removal. The involuntary leave of absence or the discharge or removal must have had a duration of at least 90 calendar days at the time the installment is first due. The past due installment plus interest will be deferred until the following December 31 at which time both the deferred installment and any other installment regularly due on that date shall be payable. Failure to pay the deferred installment will result in cancellation of the application to reestablish forfeited service and all amounts previously paid plus interest credited to the amounts shall be refunded.

NOTE: Section ETF 20.15 requires a new form. This form is available at no charge by contacting the Department of Employee Trust Funds.

The rules contained in this order shall take effect as provided in
s. 227.026 (1) (intro.), Stats.

Feb. 14, 1983
Date

Gary I. Gates
Gary I. Gates, Secretary
Department of Employee Trust Funds

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

Subject

Reestablishment of creditable service forfeited.

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation
or affects a sum sufficient appropriation.

Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Increase Costs - May Be Possible to Absorb
Within Agency's Budget Yes No
 Decrease Costs

Local: No local government costs

1. Increase Costs
 Permissive Mandatory
2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:
 Towns Villages Cities
 Counties Others _____

Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

Presently the rule provides that, if a participant applies for and defaults in the purchase of creditable service previously forfeited, the participant may reapply for the purchase of this service only if the participant closes his or her account through receipt of a separation benefit. The amendment to this rule extends this provision so that participants who close their accounts through receipt of an annuity may also reapply for purchase of the forfeited service so long as other conditions as specified in the law are met.

No state or local funds will be affected and we expect no fiscal effect.

Long-Range Fiscal Implications

None

Agency

Department of Employee Trust Funds

Authorized Signature/Telephone No.

Diann M. Bass 266-5804

Date

8-4-82

FISCAL ESTIMATE WORKSHEET

1981 Session

Detailed Estimate of Annual Fiscal Effect
AD-MBA-22 (Rev. 11/80)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.

Amendment No.

Ch. ETF 9

Subject

Reestablishment of creditable service forfeited.

I. One-time Costs or Revenue Fluctuations for State and/or Local Government (do not include in annualized fiscal effect):

NONE

II. Annualized Costs: Note: Treat fiscal costs like a "checkbook": increased costs reduce available funds (-); decreased costs increase available funds (+).

A. State Costs by Category

	Annualized fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
Salaries and Fringes	\$ -	\$ +
Staff Support Costs	-	+
Other State Costs	-	+
Local Assistance	-	+
Aids to Individuals or Organizations	-	+
TOTAL State Costs by Category	\$ - 0	\$ + 0

B. State Costs by Source of Funds

	Increased Costs	Decreased Costs
GPR	\$ -	\$ +
FED	-	+
PRO/PRS	-	+
SEG/SEG-S	-	+

C. FTE Position Changes

	Increased Pos.	Decreased Pos.
	+ (0)	- (0)

III. State Revenues: Complete this only when proposal will increase or decrease state revenues, such as taxes, license fees, etc.

	Decreased Rev.	Increased Rev.
GPR Taxes	\$ -	\$ +
GPR Earned	-	+
FED	-	+
PRO/PRS	-	+
SEG/SEG-S	-	+
TOTAL State Revenues	\$ - 0	\$ + 0

Net Annualized Fiscal Impact on State & Local Funds

State	Annual Increases	Annual Decreases	Local	Annual Increases	Annual Decreases
Total Costs	\$ -	\$ +	Total Costs	\$ -	\$ +
Total Revenues	+	-	Total Revenues	+	-
NET Impact on State Funds	\$ (+) or (-)	NONE	NET Impact on Local Funds	\$ (+) or (-)	NONE

Agency

Department of Employee Trust Funds

Authorized Signature/Telephone No.

James M. Jass

266-5804

Date

8-4-82