

1985 Assembly Bill 392

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1985 Wisconsin Act 151

AN ACT to amend 40.24 (intro.); and to create 40.24 (7) of the statutes, relating to requiring certain married participants in the Wisconsin retirement system to elect a joint survivorship retirement annuity option.

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

SECTION 1. 40.24 (intro.) of the statutes is amended to read:

40.24 Annuity options. (intro.) Any Except as provided in sub. (7), any participant who is eligible to receive a retirement annuity in the normal form may elect to receive the actuarial equivalent of the normal form annuity in one of the optional annuity forms prescribed in subs. (1) to (5) modified by rule as necessary to conform to federal regulations, or in any one optional life annuity form provided by rule. The participant may also elect to receive the amount provided by accumulated additional contributions in a different optional form than the balance of the annuity. Any optional form shall be based on actuarial equivalent values with due regard to selection against the fund, shall not provide a greater monthly amount payable to others upon the death of the participant than the amount which would have been payable to the participant if the participant had continued to live and shall

not be changed after the effective date of the annuity unless the participant's request for the change is received by the department within 30 days after the date the first annuity check, share draft or other draft is issued or funds are otherwise transferred.

SECTION 2. 40.24 (7) of the statutes is created to read:

40.24 (7) (a) Any participant who has been married to the same spouse for at least one year immediately preceding the participant's annuity effective date shall elect the annuity option under sub. (3), the annuity option under sub. (4), if the reduced annuity under sub. (4) is payable in an optional life form provided under sub. (3), or an annuity option in a form provided by rule, if the annuity is payable for life with monthly payments of at least 75% of the amount of the annuity to be continued to the beneficiary, for life, upon the death of the participant, and the participant shall designate the spouse as the beneficiary, unless the participant's application for a retirement annuity in a different optional annuity form is signed by both

the participant and the participant's spouse or unless the participant establishes to the satisfaction of the department that, by reason of absence or other inability, the spouse's signature may not be obtained. This subsection does not apply to any of the following:

1. Participants whose applications for a retirement annuity specify an annuity effective date before August 1, 1986.

2. That portion of a disability annuity which, under s. 40.63 (8) (d), is not eligible for election of an annuity option by the participant.

3. Benefits paid under s. 40.25 (1).

4. Benefits paid from accumulated additional contributions.

5. Benefits payable to a beneficiary from a deceased participant's account.

(b) In administering this subsection, the secretary may require the participant to provide the department

with a certification of the participant's marital status and of the validity of the spouse's signature. If a participant is exempted from the requirements under par. (a) on the basis of a certification which the department or a court subsequently determines to be invalid, the liability of the fund and the department shall be limited to a conversion of annuity options at the time the certification is determined to be invalid. The conversion shall be from the present value of the annuity in the optional form originally elected by the participant to an annuity with the same present value but in the optional form under sub. (3) and with monthly payments of 100% of the amount of the annuity paid to the annuitant to be continued to the spouse beneficiary.
