

State of Misconsin 2011 - 2012 LEGISLATURE



## ASSEMBLY SUBSTITUTE AMENDMENT 1, TO 2011 ASSEMBLY BILL 539

February 28, 2012 – Offered by Representative Roys.

1 AN ACT to repeal 40.23 (2m) (er), 40.23 (3) (b) and 49.825 (5) (e); and to

- renumber and amend 40.23 (3) (a) of the statutes; relating to: vesting
- 3 requirements under the Wisconsin Retirement System.

## Analysis by the Legislative Reference Bureau

Under current law, a participating employee in the Wisconsin Retirement System (WRS) who terminates covered employment on or after July 1, 2011, must have had at least five years of creditable service under the WRS in order to vest in employer required contributions and that part of a WRS annuity funded with employer required contributions. This substitute amendment eliminates the five-year vesting requirement, resulting in participants vesting immediately in all employer required contributions under the WRS.

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

- 4 SECTION 1. 40.23 (2m) (er) of the statutes, as created by 2011 Wisconsin Act 32,
- 5 is repealed.

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**SECTION 2.** 40.23 (3) (a) of the statutes, as affected by 2011 Wisconsin Act 32. 1  $\mathbf{2}$ is renumbered 40.23 (3) and amended to read:

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3 40.23 (3) Except as provided in par. (b), the <u>The</u> initial monthly amount of any 4 retirement annuity in the normal form shall not be less than the money purchase  $\mathbf{5}$ annuity which can be provided by applying the sum of the participant's accumulated 6 additional and required contributions, including interest credited to the 7 accumulations, plus an amount from the employer accumulation reserve equal to the 8 participant's accumulated required contributions. less anv accumulated 9 contributions to purchase other governmental service under s. 40.25 (7), 2001 stats., 10 or s. 40.285 (2) (b) to fund the annuity in accordance with the actuarial tables in effect 11 on the annuity effective date. 12**SECTION 3.** 40.23 (3) (b) of the statutes, as created by 2011 Wisconsin Act 32,

13is repealed.

14**SECTION 4.** 49.825 (5) (e) of the statutes, as created by 2011 Wisconsin Act 32, is repealed. 15

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## **SECTION 5. Initial applicability.**

17(1) This act first applies to participating employees under the Wisconsin 18 Retirement System who terminate covered employment under the Wisconsin 19 Retirement System on the effective date of this subsection.

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(END)