



2001 SENATE BILL 90

March 13, 2001 - Introduced by Senators RISSER, DARLING, SCHULTZ, M. MEYER and ROSENZWEIG, cosponsored by Representatives PETTIS, GUNDRUM, TURNER, WILLIAMS, FREESE, PLALE, BOYLE, MILLER, JOHNSRUD, KREUSER, MEYERHOFER, MUSSER, SYKORA and PLOUFF. Referred to Joint survey committee on Retirement Systems.

1 **AN ACT to amend** 20.515 (1) (a), 40.02 (15) (c) 5. and 40.02 (17) (intro.); and **to**
2 **create** 40.02 (15) (c) 6. and 40.02 (15) (d) of the statutes; **relating to:** crediting
3 military service for certain participants in the Wisconsin retirement system
4 who retired before March 9, 1984, due to layoff, and making an appropriation.

Analysis by the Legislative Reference Bureau

Under current law, a participating employee under the Wisconsin retirement system (WRS) may receive one year of creditable service under WRS for each year of military service, up to a maximum of four years of military service credit, at the time of retirement in either of the following ways:

1. If the participant left employment covered under WRS to enter military service and returned to the same employer within 180 days after being discharged, the participant may receive one year of military service credit for each year of military service (regardless of the amount of the participant's creditable service).

2. If the participant's military service was performed before 1974 and the participant terminates employment covered under WRS on or after March 9, 1984, the participant may receive up to one, two, three, or four years of military service credit if the participant has at least five, ten, fifteen, or twenty years, respectively, of creditable service (not counting previously granted military service credit).

A participant under WRS who terminated employment covered under WRS during the period beginning on January 1, 1982, the effective date of the merger of the Wisconsin retirement fund (WRF), the state teachers retirement system (STRS) and the Milwaukee teachers retirement fund (MTRF), and ending on March 8, 1984,

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and a participant under WRF who terminated employment before January 1, 1982, was eligible to receive creditable military service as provided under item 1., above, but the proration of military service credit based on the period of creditable service under item 2., above, did not exist; instead, the participant was eligible to receive up to four years of creditable service for military service performed before 1974 only if he or she had at least 20 years of creditable service under WRS at the time of retirement. A participant under STRS or MTRF who terminated employment before January 1, 1982, was eligible to receive creditable military service at the time of retirement only as provided under item 1., above.

This bill changes the March 9, 1984, termination date for eligibility to receive creditable military service under item 2., above, to July 1, 1980, for a participant who was laid off by his or her employer during the period beginning on July 1, 1980, and ending on March 8, 1984, and thereby allows for the retroactive crediting of military service for certain participants whose creditable service terminated due to layoff between July 1, 1980, and March 8, 1984, and who were ineligible to receive credit for military service at the time of termination.

This bill will be referred to the joint survey committee on retirement systems for a detailed analysis, which will be printed as an appendix to this bill.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

1 **SECTION 1.** 20.515 (1) (a) of the statutes is amended to read:

2 20.515 (1) (a) *Annuity supplements and payments.* A sum sufficient to pay the
3 benefits authorized under ss. 40.02 (15) (d) 2. and (17) (d) 2. and 40.27 (1), (1m), and
4 (3) in excess of the amounts payable under other provisions of ch. 40 and to reimburse
5 any amounts expended under par. (w) for the costs of administering the benefits
6 provided under ss. 40.02 (15) (d) 2. and (17) (d) 2. and 40.27 (1), (1m), and (3).

7 **SECTION 2.** 40.02 (15) (c) 5. of the statutes is amended to read:

8 40.02 (15) (c) 5. The participant's creditable service terminates on or after
9 January 1, 1982, except as provided in subd. 6.

10 **SECTION 3.** 40.02 (15) (c) 6. of the statutes is created to read:

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1 40.02 (15) (c) 6. The participant's creditable service terminates due to layoff
2 during the period beginning on July 1, 1980, and ending on March 8, 1984.

3 **SECTION 4.** 40.02 (15) (d) of the statutes is created to read:

4 40.02 (15) (d) 1. Notwithstanding s. 40.19, upon application to the department
5 not later than the last day of the 3rd month beginning after the effective date of this
6 subdivision [revisor inserts date], a participant who furnishes to the department
7 evidence satisfactory to the department that his or her creditable service terminated
8 as described in par. (c) 6. and who was ineligible to receive creditable service for
9 active military service under s. 40.02 (15) (c), 1983 stats., at the time of retirement
10 shall be granted creditable military service under s. 40.02 (15) (c), 1983 stats. The
11 creditable military service granted under this subdivision shall only be used for the
12 calculation of a participant's annuity payment that is paid after the effective date of
13 this subdivision [revisor inserts date].

14 2. Any benefits authorized under subd. 1. for any participant, which are in
15 excess of the amounts otherwise payable to the participant under other provisions
16 of this chapter, shall be paid from the appropriation under s. 20.515 (1) (a).

17 **SECTION 5.** 40.02 (17) (intro.) of the statutes is amended to read:

18 40.02 (17) (intro.) "Creditable service" means the creditable current and prior
19 service, expressed in years and fractions of a year to the nearest one-hundredth, for
20 which a participating employee receives or is considered to receive earnings under
21 sub. (22) (e) or (em) and for which contributions have been made as required by s.
22 40.05 (1) and (2) and creditable military service, service credited under s. 40.25 (7),
23 and service credited under s. 40.29, expressed in years and fractions of years to the
24 nearest one-hundredth. How much service in any annual earnings period is the
25 full-time equivalent of one year of creditable service shall be determined by rule by

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1 the department and the rules may provide for differing equivalents for different
2 types of employment. Except as provided under pars. (i) and (k) and sub. (15) (d), the
3 amount of creditable service for periods prior to January 1, 1982, shall be the amount
4 for which the participant was eligible under the applicable laws and rules in effect
5 prior to January 1, 1982. No more than one year of creditable service shall be granted
6 for any annual earnings period. Creditable service is determined in the following
7 manner for the following persons:

8 (END)