



## 2003 SENATE BILL 528

March 4, 2004 - Introduced by Senators HANSEN, DECKER, LASSA and RISSER, cosponsored by Representatives HEBL, MOLEPSKE, PLOUFF, RICHARDS, TAYLOR, TURNER, SCHNEIDER, MILLER, J. LEHMAN, TRAVIS, POPE-ROBERTS, HUBLER, BERCEAU, ZEPNICK, POCAN, HINES, KREUSER, VRUWINK, BALOW, BOYLE, KRUG, SINICKI and SHILLING. Referred to Joint Survey Committee on Tax Exemptions.

1     **AN ACT** *to create* 20.536 (1) (r), 25.17 (1) (yw), 25.18 (1) (r), 25.188, 25.735 and  
2           71.05 (6) (b) 34. of the statutes; **relating to:** establishing a deferred  
3           compensation program to be administered by the State of Wisconsin  
4           Investment Board for individuals who are employed by businesses or  
5           organizations in the private sector that are located in this state, requiring the  
6           exercise of rule-making authority, and making appropriations.

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### *Analysis by the Legislative Reference Bureau*

This bill requires the State of Wisconsin Investment Board (SWIB) to establish by rule a deferred compensation program that will allow individuals to place funds with SWIB for investment. These funds, and any investment return on the funds, are to be paid to individuals upon retirement or termination of employment. The program is only available to individuals who are employed by a business or organization in the private sector that is located in this state. To the extent practicable, SWIB must design the program with features similar to those of a qualified deferred compensation or profit-sharing plan that is governed by the federal Internal Revenue Code. Under the bill, all moneys received by SWIB from individuals are deposited in a Wisconsin family investment and retirement stability trust fund and are held in trust for the sole benefit of the individuals.

The bill also authorizes an individual to deduct from his or her federal adjusted gross income any amount of contributions that the individual makes to his or her

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account that is established under the deferred compensation program created in this bill. All gains that accrue to such an account are also tax-exempt if the gains are redeposited into the account.

This bill will be referred to the Joint Survey Committee on Tax Exemptions 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.

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

1           **SECTION 1.** 20.536 (1) (r) of the statutes is created to read:

2           20.536 (1) (r) *Wisconsin Family Investment and Retirement Stability Trust*  
3 *Program; payments to individuals.* From the Wisconsin family investment and  
4 retirement stability trust fund, a sum sufficient to pay funds owing to individuals  
5 who participate in the Wisconsin Family Investment and Retirement Stability Trust  
6 Program under s. 25.188.

7           **SECTION 2.** 25.17 (1) (yw) of the statutes is created to read:

8           25.17 (1) (yw) Wisconsin family investment and retirement stability trust fund  
9 (s. 25.735);

10          **SECTION 3.** 25.18 (1) (r) of the statutes is created to read:

11          25.18 (1) (r) Invest any of the assets of the Wisconsin family investment and  
12 retirement stability trust fund in any investment that is an authorized investment  
13 for assets in the fixed retirement investment trust under s. 25.17 (4) or assets in the  
14 variable retirement investment trust under s. 25.17 (5).

15          **SECTION 4.** 25.188 of the statutes is created to read:

16          **25.188 Wisconsin Family Investment and Retirement Stability Trust**  
17 **Program.** The board shall establish by rule a deferred compensation program to  
18 permit any individual to place moneys under the management of the board that are

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1 to be paid to the individual upon retirement or termination of employment. The  
2 program shall only be available to an individual who is employed by a business or  
3 organization in the private sector that is located in this state. To the extent  
4 practicable, the board shall design the program with features similar to those of a  
5 qualified deferred compensation or profit-sharing plan that is governed by the  
6 Internal Revenue Code, as defined for the current taxable year under s. 71.01 (6).  
7 All moneys received by the board under the program from individuals shall be  
8 deposited in the Wisconsin family investment and retirement stability trust fund  
9 and shall be held in trust for the sole benefit of the individuals.

10 **SECTION 5.** 25.735 of the statutes is created to read:

11 **25.735 Wisconsin family investment and retirement stability trust**  
12 **fund.** There is established a separate nonlapsible trust fund designated as the  
13 Wisconsin family investment and retirement stability trust fund, consisting of  
14 moneys received by the investment board under s. 25.188.

15 **SECTION 6.** 71.05 (6) (b) 34. of the statutes is created to read:

16 71.05 (6) (b) 34. Any amount that is deposited by an individual in his or her  
17 account that is established under the Wisconsin Family Investment and Retirement  
18 Stability Trust Program described under s. 25.188, and any interest, dividends, or  
19 other gain that accrues in the account if the interest, dividends, or other gain is  
20 redeposited in the account.

21 **SECTION 7. Initial applicability.**

22 (1) The treatment of section 71.05 (6) (b) 34. of the statutes first applies to  
23 taxable years beginning on January 1 of the year in which this subsection takes  
24 effect, except that if this subsection takes effect after July 31 section 71.05 (6) (b) 34.

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**SECTION 7**

1 of the statutes first applies to taxable years beginning on January 1 of the year  
2 following the year in which this subsection takes effect.

3 (END)