



2005 ASSEMBLY BILL 276

March 28, 2005 - Introduced by Representative SCHNEIDER. Referred to Joint Survey Committee on Retirement Systems.

1 **AN ACT to amend** 40.04 (7) (a) (intro.) of the statutes; **relating to:** the crediting
2 of required and additional contributions to the variable annuity division under
3 the Wisconsin Retirement System.

Analysis by the Legislative Reference Bureau

Under current rules promulgated by the Department of Employee Trust Funds (DETF), if a participant in the Wisconsin Retirement System elects to have 50 percent of his or her required and additional contributions credited to the variable annuity division, the election becomes effective for future contributions beginning on the January 1 after the participant makes the election. This bill provides that the election is immediately effective for future contributions and not delayed to the January 1 after the participant makes the election. The bill also specifies that the election must be made on a form provided by DETF.

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:

4 **SECTION 1.** 40.04 (7) (a) (intro.) of the statutes is amended to read:

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1 40.04 (7) (a) (intro.) As otherwise elected by a participant prior to April 30,
2 1980, or on or after January 1, 2001. Any participant who was a participant prior
3 to April 30, 1980, and whose accounts on January 1, 1982, include credits segregated
4 for a variable annuity shall have his or her required and additional contributions
5 made on or after January 1, 1982, credited to the variable annuity division in a
6 manner consistent with the participant's election prior to April 30, 1980, unless prior
7 to January 1, 1982, the participant terminated such election under s. 40.85, 1979
8 stats. Any participant who elects or has elected to have any of his or her credits
9 segregated for a variable annuity on or after January 1, 2001, shall have 50% of his
10 or her required and additional contributions made on or after the date of election
11 credited to the variable annuity division. The election shall be made on a form
12 provided by the department and the election shall be immediately effective on the
13 date that the department receives the form. The department shall by rule provide
14 that any participant who elects or has elected variable participation prior to April
15 30, 1980, or on or after January 1, 2001, may elect to cancel that variable
16 participation as to future contributions. The department's rules shall permit a
17 participant who elects or has elected to cancel variable participation as to future
18 contributions, or an annuitant, to elect to transfer previous variable contribution
19 accumulations to the fixed annuity division. A transfer of variable contribution
20 accumulations under this paragraph shall result in the participant receiving the
21 accrued gain or loss from the participant's variable participation. A participant may
22 specify that election to cancel participation in the variable annuity division is
23 conditional. If the participant so specifies the election is effective on the first date
24 on which it may take effect on which the participant:

SECTION 2. Initial applicability.

