

State of Wisconsin



1997 Senate Bill 31

Date of enactment: **December 19, 1997**
Date of publication*: **December 22, 1997**

1997 WISCONSIN ACT 58

AN ACT *to amend* 40.05 (2) (b) and 40.73 (1) (c) and (d); and *to create* 40.05 (2) (bu) of the statutes; **relating to:** the requirements for receiving an automatic joint survivor death benefit under the Wisconsin retirement system.

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

SECTION 1. 40.05 (2) (b) of the statutes is amended to read:

40.05 (2) (b) Contributions shall be made by each participating employer for unfunded prior service liability in a percentage of the earnings of each participating employe. A separate percentage rate shall be determined for the employe occupational categories under s. 40.23 (2m) as of the employer's effective date of participation. The rates shall be sufficient to amortize as a level percent of payroll over a period of 40 years from the later of that date or January 1, 1986, the unfunded prior service liability for the categories of employes of each employer determined under s. 40.05 (2) (b), 1981 stats., increased to reflect any creditable prior service granted on or after January 1, 1986, increased to reflect the effect of 1983 Wisconsin Act 141, increased at the end of each calendar year after January 1, 1986, by interest at the assumed rate on the unpaid balance at the end of the year and adjusted under pars. (bu), (bv) and (bw).

SECTION 2. 40.05 (2) (bu) of the statutes is created to read:

40.05 (2) (bu) The employer contribution rate determined under par. (b) for each employer shall be adjusted, if necessary, to reflect the added prior service liability of paying additional joint and survivor death benefits to

beneficiaries of participating employes as a result of 1997 Wisconsin Act (this act) and that rate shall be sufficient to amortize the unfunded prior service liability of the employers over the remainder of the 40-year amortization period under par. (b).

SECTION 3. 40.73 (1) (c) and (d) of the statutes are amended to read:

40.73 (1) (c) In lieu of the benefit payable under par. (a) or (b), upon the death of a participating employe who has attained the age of 60 years, or age 55 if a protective ~~oecupation participant, prior to death, met all of the requirements under s. 40.23 (1) except termination of employment and the filing of an application~~, if the beneficiary to whom a death benefit is payable is a dependent of the participating employe, or a trust in which such a beneficiary has a beneficial interest, the present value on the day following the date of death of the life annuity to the beneficiary which would have been payable if the participating employe had been eligible to receive a retirement annuity, computed under s. 40.23 or 40.26, beginning on the date of death and had elected to receive the annuity in the form of a joint and survivor annuity providing the same amount of annuity to the surviving beneficiary as the reduced amount payable during the participant's lifetime. If there is more than one beneficiary the amount of the annuity and its present value will be determined as if the oldest of the beneficiaries were the sole beneficiary. If the death benefit payable to the bene-

* Section 991.11, WISCONSIN STATUTES 1995-96: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication as designated" by the secretary of state [the date of publication may not be more than 10 working days after the date of enactment].

ficiary under this paragraph would be less than the amount determined under par. (a) or (b) the death benefit shall be payable under par. (a) or (b) and this paragraph shall not be applicable to the beneficiary. An annuitant receiving an annuity only under s. 40.24 (1) (f), which annuity was an immediate annuity, shall be deemed a participating employe for purposes of this paragraph only, but the amount payable under s. 40.24 (1) (f) shall not be changed.

(d) Increased, upon the death of a participant who had elected the additional benefit provided by s. 42.81 (14), 1979 stats., and continued making the contributions provided for in s. 42.81 (14), 1979 stats., and was eligible for the benefit on December 15, 1988, by an amount and for a period determined by the actuary and approved by the

board as being appropriate to the level of contributions provided for in s. 42.81 (14), 1979 stats., or any lower level of contributions, as determined by the actuary and approved by the board. The board may require that the payment of benefits under an insurance contract be paid in lieu of any benefits provided under this paragraph, but only if the benefits under the insurance contract are at least equal to the benefits that would otherwise have been paid under this paragraph on the date on which the insurance contract went into effect.

SECTION 4. Effective dates. This act takes effect on the day after publication, except as follows:

(1) The treatment of section 40.05 (2) (b) and (bu) of the statutes takes effect on the first January 1 after publication.
