

Committee Name:

**JOINT SURVEY COMMITTEE – RETIREMENT SYSTEMS
(JSC-RS)**

Appointments

89hr_JSC-RS_Appt_pt00

Clearinghouse Rules

89hr_JSC-RS_CRule_89-

Committee Hearings

89hr_JSC-RS_CH_pt00

Committee Reports

89hr_JSC-RS_CR_pt0

Executive Sessions

89hr_JSC-RS_ES_pt00

Hearing Records

89hr_ab0495

89hr_sb0000

Misc.

89hr_JSC-RS_Misc_pt89

Record of Committee Proceedings

89hr_JSC-RS_RCP_pt00

CONSIDERATION OF 495
(BILL NUMBER)

DATE 9/12/89

JOINT SURVEY COMMITTEE ON RETIREMENT SYSTEMS

NAME Eugene H. Braubke
ADDRESS 5984 Schroeder Road - Apt A
CITY Madison STATE WI ZIP 53711
ORGANIZATION, IF ANY Self

WOULD LIKE TO TESTIFY (APPEAR BEFORE THE COMMITTEE)

IN FAVOR OPPOSED INFORMATION

WOULD LIKE TO REGISTER

IN FAVOR OPPOSED INFORMATION

CONSIDERATION OF AB 495
(BILL NUMBER)

DATE 12 SEPT 1989

JOINT SURVEY COMMITTEE ON RETIREMENT SYSTEMS

NAME ROY DURST
ADDRESS 505 KARLA CT
CITY PORTAGE STATE WI ZIP 53901
ORGANIZATION, IF ANY _____

WOULD LIKE TO TESTIFY (APPEAR BEFORE THE COMMITTEE)

IN FAVOR OPPOSED INFORMATION

WOULD LIKE TO REGISTER

IN FAVOR OPPOSED INFORMATION

CONSIDERATION OF AB495
(BILL NUMBER)

DATE 9-12-89

JOINT SURVEY COMMITTEE ON RETIREMENT SYSTEMS

NAME JANET L. GOODWIN
ADDRESS 4502 WALLACE AVE.
CITY MONONA STATE WI ZIP 53716
ORGANIZATION, IF ANY SELF

WOULD LIKE TO TESTIFY (APPEAR BEFORE THE COMMITTEE)

IN FAVOR OPPOSED INFORMATION

WOULD LIKE TO REGISTER

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CONSIDERATION OF AB 495
(BILL NUMBER)

DATE 9-12-89

JOINT SURVEY COMMITTEE ON RETIREMENT SYSTEMS

NAME Jim Goodwin
ADDRESS 4502 WALLACE AVE.
CITY MONONA STATE WI ZIP 53716
ORGANIZATION, IF ANY SELF

WOULD LIKE TO TESTIFY (APPEAR BEFORE THE COMMITTEE)

IN FAVOR OPPOSED INFORMATION

WOULD LIKE TO REGISTER

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CONSIDERATION OF 495
(BILL NUMBER)

DATE 9-12-89

JOINT SURVEY COMMITTEE ON RETIREMENT SYSTEMS

NAME Charles B. Grunow
ADDRESS 4508 Schafeld St.
CITY Monona STATE WI ZIP 53716
ORGANIZATION, IF ANY _____

WOULD LIKE TO TESTIFY (APPEAR BEFORE THE COMMITTEE)

IN FAVOR OPPOSED INFORMATION

WOULD LIKE TO REGISTER

IN FAVOR OPPOSED INFORMATION

CONSIDERATION OF 495
(BILL NUMBER)

DATE 9-12-89

JOINT SURVEY COMMITTEE ON RETIREMENT SYSTEMS

NAME Joseph Hoel
ADDRESS 2410 Willard Ave.
CITY Madison STATE WI ZIP 53704
ORGANIZATION, IF ANY _____

WOULD LIKE TO TESTIFY (APPEAR BEFORE THE COMMITTEE)

IN FAVOR OPPOSED INFORMATION

WOULD LIKE TO REGISTER

IN FAVOR OPPOSED INFORMATION

CONSIDERATION OF AB 495
(BILL NUMBER)

DATE 9/12/89

JOINT SURVEY COMMITTEE ON RETIREMENT SYSTEMS

NAME Rep. Bill Lorge
ADDRESS Rt. 1
CITY Bear Creek STATE WI ZIP 54922
ORGANIZATION, IF ANY Assembly

WOULD LIKE TO TESTIFY (APPEAR BEFORE THE COMMITTEE)

IN FAVOR OPPOSED INFORMATION

WOULD LIKE TO REGISTER

IN FAVOR OPPOSED INFORMATION

CONSIDERATION OF AB 495
(BILL NUMBER)

DATE 9/12/89

JOINT SURVEY COMMITTEE ON RETIREMENT SYSTEMS

NAME Julian A. Modjeski
ADDRESS 3679 S. 32nd St.
CITY Sheboygan STATE Wis ZIP 53221
ORGANIZATION, IF ANY C.W.A. Wis. Political Council

WOULD LIKE TO TESTIFY (APPEAR BEFORE THE COMMITTEE)

IN FAVOR OPPOSED INFORMATION

WOULD LIKE TO REGISTER

IN FAVOR OPPOSED INFORMATION

CONSIDERATION OF AB 495
(BILL NUMBER)

DATE 9/12/89

JOINT SURVEY COMMITTEE ON RETIREMENT SYSTEMS

NAME Irene W. McCloskey
ADDRESS 4946 Knox Lane
CITY Madison STATE WI ZIP 53711
ORGANIZATION, IF ANY Madison Retired Teachers Assn

WOULD LIKE TO TESTIFY (APPEAR BEFORE THE COMMITTEE)

IN FAVOR OPPOSED INFORMATION

WOULD LIKE TO REGISTER

IN FAVOR OPPOSED INFORMATION

CONSIDERATION OF AB 495
(BILL NUMBER)

DATE 9/12/89

JOINT SURVEY COMMITTEE ON RETIREMENT SYSTEMS

NAME KEN OPIN
ADDRESS ~~2021~~ 2021 Atwood Ave.
CITY MADISON STATE WI. ZIP 53704
ORGANIZATION, IF ANY Wis. Fed. of Teachers

WOULD LIKE TO TESTIFY (APPEAR BEFORE THE COMMITTEE)

IN FAVOR OPPOSED INFORMATION

WOULD LIKE TO REGISTER

IN FAVOR OPPOSED INFORMATION

CONSIDERATION OF AB-495
(BILL NUMBER)

DATE 9/12/89

JOINT SURVEY COMMITTEE ON RETIREMENT SYSTEMS

NAME RANDALL RADTKE
ADDRESS 335 A NORTH, CAPITOL
CITY MADISON STATE WI ZIP 53708
ORGANIZATION, IF ANY STATE Rep.

WOULD LIKE TO TESTIFY (APPEAR BEFORE THE COMMITTEE)

IN FAVOR OPPOSED INFORMATION

WOULD LIKE TO REGISTER

IN FAVOR OPPOSED INFORMATION

CONSIDERATION OF 495
(BILL NUMBER)

DATE 9-12-89

JOINT SURVEY COMMITTEE ON RETIREMENT SYSTEMS

NAME Herbert Schendel
ADDRESS 10 Celea Ct.
CITY Madison STATE Wis. ZIP 53711
ORGANIZATION, IF ANY _____

WOULD LIKE TO TESTIFY (APPEAR BEFORE THE COMMITTEE)

IN FAVOR OPPOSED INFORMATION

WOULD LIKE TO REGISTER

IN FAVOR OPPOSED INFORMATION

CONSIDERATION OF 495
(BILL NUMBER)

DATE 9-12-89

JOINT SURVEY COMMITTEE ON RETIREMENT SYSTEMS

NAME THEODORE J. SHANNON
ADDRESS 6309 MOUND DR
CITY MIDDLETON STATE WI ZIP 53562
ORGANIZATION, IF ANY Wis Retired Teachers Assoc.

WOULD LIKE TO TESTIFY (APPEAR BEFORE THE COMMITTEE)

IN FAVOR OPPOSED INFORMATION

WOULD LIKE TO REGISTER

IN FAVOR OPPOSED INFORMATION

CONSIDERATION OF #495
(BILL NUMBER)

DATE 9-12-89

JOINT SURVEY COMMITTEE ON RETIREMENT SYSTEMS

NAME THOMAS L. SPERANZO
ADDRESS 5218 STARKER AVE
CITY MADISON STATE WI ZIP 53716
ORGANIZATION, IF ANY PFFW

WOULD LIKE TO TESTIFY (APPEAR BEFORE THE COMMITTEE)

IN FAVOR OPPOSED INFORMATION

WOULD LIKE TO REGISTER

IN FAVOR OPPOSED INFORMATION

CONSIDERATION OF A.B. 495
(BILL NUMBER)

DATE Sept. 12. 89

JOINT SURVEY COMMITTEE ON RETIREMENT SYSTEMS

NAME DeLoris Vander Veld
ADDRESS 5501 Pleasant Hill Rd
CITY Monona STATE WI ZIP 53716
ORGANIZATION, IF ANY _____

WOULD LIKE TO TESTIFY (APPEAR BEFORE THE COMMITTEE)

IN FAVOR OPPOSED INFORMATION

WOULD LIKE TO REGISTER

IN FAVOR OPPOSED INFORMATION

CONSIDERATION OF AB 495
(BILL NUMBER)

DATE 9/12/89

JOINT SURVEY COMMITTEE ON RETIREMENT SYSTEMS

NAME MICHAEL R. VAUGHAN
ADDRESS P.O. BOX 2038
CITY MADISON STATE WI ZIP 53701
ORGANIZATION, IF ANY MILWAUKEE TEACHERS RETIREMENT FUND ASSOCIATION

WOULD LIKE TO TESTIFY (APPEAR BEFORE THE COMMITTEE)

IN FAVOR OPPOSED INFORMATION

WOULD LIKE TO REGISTER

IN FAVOR OPPOSED INFORMATION

CONSIDERATION OF 495A
(BILL NUMBER)

DATE 9/12/89

JOINT SURVEY COMMITTEE ON RETIREMENT SYSTEMS

NAME R. Michael Brennan

ADDRESS Box 8003

CITY Madison STATE Wis ZIP 53708

ORGANIZATION, IF ANY Wis. Education Association Council

WOULD LIKE TO TESTIFY (APPEAR BEFORE THE COMMITTEE)

IN FAVOR OPPOSED INFORMATION

WOULD LIKE TO REGISTER

IN FAVOR OPPOSED INFORMATION

CONSIDERATION OF AB495
(BILL NUMBER)

DATE 9/12/89

JOINT SURVEY COMMITTEE ON RETIREMENT SYSTEMS

NAME Elmer L. Hamburg

ADDRESS 1621 Mayfield Lane

CITY Madison STATE WI ZIP 53704

ORGANIZATION, IF ANY _____

WOULD LIKE TO TESTIFY (APPEAR BEFORE THE COMMITTEE)

IN FAVOR OPPOSED INFORMATION

WOULD LIKE TO REGISTER

IN FAVOR OPPOSED INFORMATION

CONSIDERATION OF AB 495
(BILL NUMBER)

DATE 9/12/89

JOINT SURVEY COMMITTEE ON RETIREMENT SYSTEMS

NAME Eugene Lehmann
ADDRESS 5809 Dorsett Dr.
CITY Madison STATE Wi. ZIP 53711
ORGANIZATION, IF ANY Wis. Retired Teachers Assoc

WOULD LIKE TO TESTIFY (APPEAR BEFORE THE COMMITTEE)

IN FAVOR OPPOSED INFORMATION

WOULD LIKE TO REGISTER

IN FAVOR OPPOSED INFORMATION

CONSIDERATION OF AB 495
(BILL NUMBER)

DATE 12 Sept 89

JOINT SURVEY COMMITTEE ON RETIREMENT SYSTEMS

NAME Don McCloskey
ADDRESS 4946 Knox Lane
CITY Madison STATE WI ZIP 53711
ORGANIZATION, IF ANY Mad Area Retired Teachers Assoc

WOULD LIKE TO TESTIFY (APPEAR BEFORE THE COMMITTEE)

IN FAVOR OPPOSED INFORMATION

WOULD LIKE TO REGISTER

IN FAVOR OPPOSED INFORMATION

To Rich Date 8-12 Time

From Dorothy Abendroth Please Call

Phone Taken By Returning Call

Comment For Your Inf. Prepare Reply Return

Route Approver/Sign Take Action File

Oppose AB 495 -
a retired teacher

3614 Cascade Rd.
Madison 53704

No. of Copies: Typing Photocopy Copy Center Copy from Microfilm

Date Need Time Need Rough Double Original Document

Final Single Revised Document

To Rich Date 8-12 Time

From Taken By Please Call

Phone Taken By Returning Call

Comment For Your Inf. Prepare Reply Return

Route Approver/Sign Take Action File

Wilson Thiede, Pres. of
Madison Area Retired
Teachers
15 Kessel Court

Madison, WI 53711
Oppose AB 495

No. of Copies: Typing Photocopy Copy Center Copy from Microfilm

Date Need Time Need Rough Double Original Document

Final Single Revised Document

SEP 19 1989



THE WISCONSIN FOUNDATION

For Vocational, Technical and Adult Education, Inc.

2564 BRANCH STREET • MIDDLETON, WI 53562 • (608) 831-6313

Sept. 15, 1989

Dear Dick:

We missed you at the RTA convention. Esther learned how strongly our membership feels its opposition to AB 495. We trust you will do what you can to keep it in Committee.

Since you are the author of the bill or draft improvement discourte I thought you the interested in the attached study.

By the way RTA supports your bill.

Sam
Schuman

Leo W. Howsht;

1429 Rock Ave

Wauwatosa, WI 53963

Supports AB 495



State of Wisconsin

JOINT SURVEY COMMITTEE ON RETIREMENT SYSTEMS
AND THE RETIREMENT RESEARCH COMMITTEE

August 23, 1989

BLAIR L. TESTIN
RESEARCH DIRECTOR

ROOM 203, 110 E. MAIN STREET
MADISON, WI 53703
(608) 266-3019

TO: Rep. Rick Grobschmidt
FROM: Blair Testin, Director of Retirement Research
RE: Possible Amendment to Walling's Bill

As you are aware, Rep. Walling has drafted a bill which would affect the post-retirement increase process. Her bill would dedicate the one-time transfer from the TAA account to annuity reserves to the older retirees still negatively affected by inflation. In addition, her bill would dedicate the annual 20% recognition of the TAA balance to the same older retirees. Although there is some justification for concern with those retirees still negatively affected by inflation, her bill undoubtedly will be highly controversial and perhaps lead to lawsuits.

You and I have discussed a possible substitute amendment which would be less controversial and hopefully would not lead to additional lawsuits. The approach that we discussed would merely extend the existing cap which sunsets this year for another three years. That cap provides that any dividend increase over the average salary index would be dedicated to older retirees. The average salary index for 1988 was 6.4%, and I would expect similar results for 1989.

I am enclosing a copy of the bill draft for this possible substitute amendment to Walling's bill. If the draft interests you, you could either introduce it after Walling's bill is introduced, or hold it in your possession until the JSCRS public hearing on the bill. Please contact me if you have any questions.

BT:db

Enc.

Statement by Truman F. Graf
5022 La Crosse Lane, Madison Wis.
At 9/12/89 Hearing On Assembly Bill 495

I am a representative of the Wisconsin Retired Teachers Association (WRTA) representing 85,000 public retirees, and the Madison Area Retired Teachers Association (MARTA) representing over 600 Madison families in the Madison area. On behalf of these organizations I oppose AB495 for the following reasons:

(a) The transfer of \$500,000,000 in 1989 from the transaction amortization account (TAA) violates the principle that retirees spent their careers working under, --- that the FUNDS IN THE TRUST FUND BELONG TO THE FUND PARTICIPANTS BY THE VIRTUE OF THEIR EMPLOYMENT CONTRACT WITH THE STATE OF WISCONSIN.

(b) Development of a new fixed annuity reserve surplus distribution formula to supersede the present formula to apply to each annual TAA distribution, further violates the employment contract retirees had with the State of Wisconsin throughout their working careers.

(c) The net effect of the action spelled out in (a) and (b) above, which is required in AB 495, will have the grossly inequitable effect of reducing the pensions of many retirees below what their contract with the State of Wisconsin while they were working would have resulted in. Thus after they have retired this legislation would suddenly say, "forget your contract, we're going to pay you less, whatever we THE STATE OF WISCONSIN DECIDE WE FEEL LIKE PAYING YOU". This is so grossly unfair and inequitable that it almost defies description!

Any shortfall to earlier retirees because of a neglect by the State of Wisconsin to take inflation into account, is the State's responsibility, and the State of Wisconsin should face up to it's obligation, rather than attempting to shift it's responsibility over to retirees by reducing their hard earned retirement income, as AB 495 would result in.

AB 495 is therefore completely unacceptable to the thousands and thousands of Wisconsin public retirees.



WISCONSIN ASSEMBLY

ESTHER K. WALLING
Representative

TESTIMONY

DISTRICT 55

Capitol Office

P.O. Box 8953
Madison, WI 53708
(608) 266-5719

Home

1225 Kluck Street
Neenah, WI 54956
(414) 725-9392

Legislative Hotline

Toll-free message service
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13, 14, 15, 16
Town of Menasha

by

Esther K. Walling
September 12, 1989

Assembly Bill 495

Rep. Richard A. Grobschmidt and Senator Robert Jauch, Co-Chair
Members of the Joint Survey Committee on Retirement Systems

Thank you for the opportunity to express my total commitment
to Assembly Bill 495 and my deep concern for the people it
will assist. This public hearing is timely and I sincerely
appreciate your work to make it so.

A LITTLE HISTORY

- 1950 - Majority of Annuitants received less than \$100 per month.
- 1960 - Majority of Annuitants received over \$100, but less than \$200 per month.
- 1970 - Average Initial Annuity \$122.00 per month.
- 1980 - Average Initial Annuity \$311.17 per month.
- TODAY - Average Initial Annuity \$774 per month.

Since 1970, the CPI has increased 362.9%.

Prior to 1957, the Constitution prohibited the legislature from increasing retirement benefit increases to participants of any state administered retirement system. In 1957 a Constitutional Amendment passed for teachers only.

It wasn't until 1974 that a Constitutional Amendments was passed to treat all public retirees the same.

- 1957 - "Adjustment Benefit Law" granted retired teachers \$1.00 per month benefit increase.
- 1959 - An additional 25 cents was granted.
- 1966 - \$5.00 per month was granted.
- 1972 - \$1.00 per month was granted.
- 1974 - 4% x years of retirement x initial annuity, not to exceed a maximum of \$250.
- 1984 - Supplement of 20% of initial annuity, or \$200, whichever was smaller. The maximum actually received by anyone was \$40.00 per month.

Synopsis: A teacher retiring in 1955, after 30 years, with \$75 per month, would have gotten \$76.00 per month in 1957, \$76.25 in 1958, \$80.25 in 1966, \$81.25 in 1972, \$138.25 in 1974, and \$153.25 in 1984. With percentage increases since 1984, this person might be all the way up to \$200 per month by now, an increase of 165% vs. CPI at 362%.

Prior to 1965, few employers made contributions. Employee contributions were handled through a money purchase calculation. In 1965 that changed to a formula annuity plan of 6/7% of 1% of salary, plus 1% of salary over Social Security base.

1971 - an increase in multiplier to 1% of all earnings, and state employees were granted military service, with no break from state service.

1973 - 1% per year of service based on the 3 final years average earnings. Reciprocity between state administered funds was initiated and all public employees could claim military service which was not a break from public service.

1977 - First attempts at earlier retirement ages.

1981 - Teachers got military service provision, protectives got duty disability, state employees got an early retirement window, social security impact was reduced, and employees could buy back years forfeited for prior years of public service after they had chosen to withdraw the employee share.

1983 - Multiplier increase, age 62 with 30 years normal retirement, actuarial discount was adopted, 65% of FAS adopted, and military service requirements were eased.

Synopsis: None of these changes benefited older retirees, but did remove growth in funds which may have otherwise resulted in higher percentage increases in annuity reserves, thus higher benefits for those already retired.

These are the people who built our schools, provided volunteer service, supported education and paid their taxes. These are the people who taught you and me, or perhaps taught your parents and me. These are our oldest and most fragile public sector retirees.

These are the people who are depression era--independent--self preservationists. They will eat less, put on additional clothing against the cold, and never let it be known that they are hurting. Some no longer can afford telephone service and if they need medical care and medicine, they may well cut their nourishment accordingly. They don't advertise how poor they are, yet may live in utter poverty.

Is it a question of equity or uniformity? To be uniform means to have no difference in form, rate, or degree. The current structure is certainly not uniform and it certainly is not equal in its treatment of those who depend upon it.

As legislators we repeatedly battle the inequities of across-the-board percentage increases or decreases. They are frightfully inequitable. Across-the-board percentage increases in retirement benefits is also frightfully inequitable. It discriminates against the very people who pioneered public employee retirement benefits and favors those who have been only the beneficiaries of their predecessors work and creativity.

I respectfully request immediate, favorable executive action to send Assembly Bill 495 onto the Assembly and Senate so that it can be effective prior to January 1, 1990. Thank you.

EAU 25 SEP 1989



America the Beautiful USA 15

State Capital Madison, WI
Joint Survey Committee on
Retirement Systems
Legislative Member
Rep. Richard Grobschmitt

53702

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SEP 25 1989

Please do not send ^{letter}

vote for Bill 495

this is our money

Please leave the
Employee Trust Fund

alone.

Agnes Wangong

R2 Sept 15

Turtle Lake, WI

54889

September 26, 1989

Agnes Wanzong
Rt, Apt. 15

Dear Turtle Lake, WI 54889:

Thank you for contacting me regarding your opposition to Assembly Bill 495 which relates to the distribution of surpluses in the fixed annuity reserve of the public employe trust fund. I certainly understand your concerns in this matter.

As you may know, a public hearing was held on this legislation on September 12, 1989. Other than the author, Representative Walling, no one spoke in favor of AB 495. At the current time, I have not scheduled final Committee action on this bill as I do not feel that ample support exists.

While I agree that our oldest retirees currently have lower purchasing power than they did at the time of their retirement, I do not support Representative Walling's bill. In order for this legislation to be acceptable there would have to be major changes in the funding sources, preferably looking to General Purpose Revenue for funding rather than the annuity reserves.

Again, thank you for your interest in this matter and please feel free to contact me with any additional questions or comments which you may have.

Sincerely,

RICHARD GROBSCHMIDT
State Representative
21st Assembly District

RG:lm

ANETA AVE.
110 Aneta Ave
P.O. BOX 45
Almena, Wis
54805

Sept. 25, 1989

SEP 26 1989

Dear Rep. Brotschmidt.

Please do not vote
for bill 495 —

Thanks
Lorne Melke

Retired Teacher.

September 26, 1989

Leona Mielke
110 Aneta Avenue
P.O. Box 45

Dear Almena, WI 54805:

Thank you for contacting me regarding your opposition to Assembly Bill 495 which relates to the distribution of surpluses in the fixed annuity reserve of the public employe trust fund. I certainly understand your concerns in this matter.

As you may know, a public hearing was held on this legislation on September 12, 1989. Other than the author, Representative Walling, no one spoke in favor of AB 495. At the current time, I have not scheduled final Committee action on this bill as I do not feel that ample support exists.

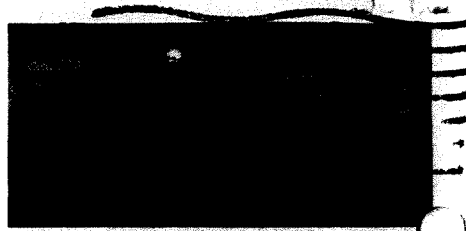
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Sincerely,

RICHARD GROBSCHMIDT
State Representative
21st Assembly District

RG:lm



America the Beautiful USA 15

Rep. Richard Grobschmidt
Joint Survey Com. on Retirement
Systems
State Capitol
Madison, WI 53702

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4 SEP 27 1989 395 Walker St.
Fond du Lac, WI 54935
I'd like to express my
opposition to AB 495. This
bill will eventually affect
all annuitants. The already
have been affected by previous
legislative action.
Sincerely
Dorothy Grasse

September 26, 1989

Dorothy Gransee
395 Walker Street
Fond du Lac, WI 54935

Dear Ms. Gransee:

Thank you for contacting me regarding your opposition to Assembly Bill 495 which relates to the distribution of surpluses in the fixed annuity reserve of the public employe trust fund. I certainly understand your concerns in this matter.

As you may know, a public hearing was held on this legislation on September 12, 1989. Other than the author, Representative Walling, no one spoke in favor of AB 495. At the current time, I have not scheduled final Committee action on this bill as I do not feel that ample support exists.

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Sincerely,

RICHARD GROBSCHMIDT
State Representative
21st Assembly District

RG:lm

John & Mardell Schnell
2256 23rd Avenue
Rice Lake, WI 54868

America the Beautiful USA 10

Representative Richard Probst
State Capitol
Madison, WI 53702

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Dear Representative Probst:
I am a retired teacher. We
feel that the Employee Trust Fund
is handling our money very well.
Please Do NOT vote for Assembly
bill AB 495.

SEP 26 1989

Sincerely,
John M. Schnell

September 26, 1989

John Schnell
2256 23rd Avenue
Rice Lake, WI 54868

Dear Mr. Schnell:

Thank you for contacting me regarding your opposition to Assembly Bill 495 which relates to the distribution of surpluses in the fixed annuity reserve of the public employe trust fund. I certainly understand your concerns in this matter.

As you may know, a public hearing was held on this legislation on September 12, 1989. Other than the author, Representative Walling, no one spoke in favor of AB 495. At the current time, I have not scheduled final Committee action on this bill as I do not feel that ample support exists.

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Again, thank you for your interest in this matter and please feel free to contact me with any additional questions or comments which you may have.

Sincerely,

RICHARD GROBSCHMIDT
State Representative
21st Assembly District

RG:lm

SEP 26 1989

Please do not vote for
bill 495. We want to
control our money. Please
leave it to the trust fund

Jan Olund
Harvey Olund

R 2 Box 262 B
Birchwood, WI 54807

September 26, 1989

Jean and Harvey Olund
R 2, Box 262 B
Birchwood, WI 54817

Dear Mr. and Mrs. Olund:

Thank you for contacting me regarding your opposition to Assembly Bill 495 which relates to the distribution of surpluses in the fixed annuity reserve of the public employe trust fund. I certainly understand your concerns in this matter.

As you may know, a public hearing was held on this legislation on September 12, 1989. Other than the author, Representative Walling, no one spoke in favor of AB 495. At the current time, I have not scheduled final Committee action on this bill as I do not feel that ample support exists.

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Sincerely,

RICHARD GROBSCHMIDT
State Representative
21st Assembly District

RG:lm

Honorable Mr. Grobschmidt,

Please do not support AB 495.

We do not wish to have anyone handle the Employee Trust Fund (designated for Teachers' pensions) except the Investment Board. We like our contract with the State the way it is.

Thank you - Mrs. Richard Kahl
117 Cameron Rd.
Rice Lake, WI 54868

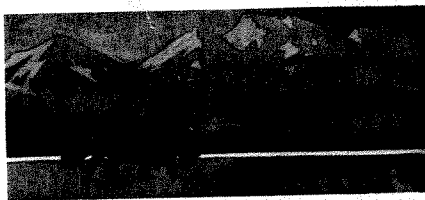
SEP 29 1999

Honorable Richard Grobschmidt:

The Wis. Retired Teachers resist benefit changes that affect one sub-group at the expense of other participants.

Please reject the passage of
A. B. 495
Thank you,
Richard Kahl
Dist. 1 Director
Northwest Wis.

SEP 2 1988



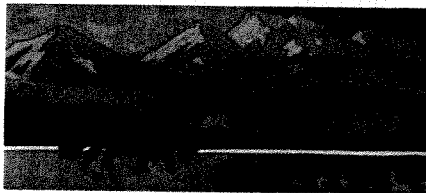
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Representative Richard Grobschmidt
Hr. Survey Committee On Retirement Systems
State Capitol
Madison WI 53702

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RICHARD KAHL
117 CAMERON ROAD
RICE LAKE, WIS.
54868

6



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Representative Richard Grobschmidt
Hr. Survey Committee on Ret. Systems
State Capitol
Madison, Wis.
53702

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September 29, 1989

Mr. and Mrs. Richard Kahl
117 Cameron Road
Rice Lake, WI 54868

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Sincerely,

RICHARD GROBSCHMIDT
State Representative
21st Assembly District

RG:lm

GROBSCHMIDT

America the Beautiful USA 15

Joint Survey Committee On
Retirement Systems
Legislative Members
State Capitol, Madison, Wis
53702

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OCT 9 1989

I wish to state my opposition
to passage of Bill AB495 as
(I want our Employer Trust
Fund Board to deal with
our pensions.

Sincerely,
Edna Peterson

53 Birch Oak Pl.
Pine Lake, Wis.
54868

THE UNITED WAY
GIVE



October 10, 1989

Elsa Peterson
553 Burr Oak Pl.
Rice Lake, WI 54868

Dear Ms. Peterson:

Thank you for contacting me regarding your opposition to Assembly Bill 495 which relates to the distribution of surpluses in the fixed annuity reserve of the public employe trust fund. I certainly understand your concerns in this matter.

As you may know, a public hearing was held on this legislation on September 12, 1989. Other than the author, Representative Walling, no one spoke in favor of AB 495. At the current time, I have not scheduled final Committee action on this bill as I do not feel that ample support exists.

While I agree that our oldest retirees currently have lower purchasing power than they did at the time of their retirement, I do not support Representative Walling's bill. In order for this legislation to be acceptable there would have to be major changes in the funding sources, preferably looking to General Purpose Revenue for funding rather than the annuity reserves.

Again, thank you for your interest in this matter and please feel free to contact me with any additional questions or comments which you may have.

Sincerely,

RICHARD GROBSCHMIDT
State Representative
21st Assembly District

RG:lm

10/21/89

Rep. Richard Grobschmidt
Joint Survey Committee on
Retirement Systems
Legislative Members.

NOV 7 1989

Dear Sir:

We are both members of
W.R.T.A. and oppose A.B. 495.
We heartily resent any invasion
of the management of our
money by legislators or the
Governor. We hope you will
support our litigation. You
can determine whether or not
these matters are secured.

Thank You
Louise M. Culloch
Margaret McCulloch
Rt 3 Box 695
Markeean Wis
53946

November 7, 1989

Mr. and Mrs. Mc Culloch
Rt. 3, Box 695
Markesan, WI 53946

Dear Mr. and Mrs. Mc Culloch:

Thank you for contacting me regarding your opposition to Assembly Bill 495 which relates to the distribution of surpluses in the fixed annuity reserve of the public employe trust fund. I certainly understand your concerns in this matter.

As you may know, a public hearing was held on this legislation on September 12, 1989. Other than the author, Representative Walling, no one spoke in favor of AB 495. At the current time, I have not scheduled final Committee action on this bill as I do not feel that ample support exists.

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Sincerely,

RICHARD GROBSCHMIDT
State Representative
21st Assembly District

RG:lm



**LEGISLATIVE TESTIMONY BY THE
WISCONSIN RETIRED TEACHERS' ASSOCIATION
AB495**

My name is Eugene Lehrmann, representing the Wisconsin Retired Teacher's Association, appearing in opposition to AB495.

The Wisconsin Retired Teacher's Association is very much concerned about the low pensions which are received by those of us who have been retired for the longest period of time. Our organization worked diligently in 1983 to bring about passage of the supplemental benefit of up to \$40 per month for those who retired prior to 1974. This legislation, with the necessary GPR funding, passed with only three dissenting votes.

The low pensions that these older retirees are receiving are principally as a result of the low wages paid to individuals during their working life. This proposal uses the same technique to distribute funds that was used two years ago, when other Transactional Amortization Funds were distributed. The Wisconsin Retired Teacher's Association members objected to any change in distribution which would deviate from each individual receiving his or her share of the distribution on the basis of the contracted amount at the time of retirement. The WRTA decided to bring about litigation in regard to this distribution. Individuals ranging in age from 65 to 94 sent in money so that we could challenge this distribution. As you can observe, the principal of distributing to all individuals had the support of members from all age groups. It appears to us that this is an effort to do something for the WRTA annuitants that they don't want.

Wisconsin Retired Teachers Association

Associated with NRTA — A Division of AARP

2564 Branch Street · Middleton, Wisconsin 53562 · 608-831-5115

Wisconsin can be proud of its retirement system. The author of a study done for the National Retired Teacher's Association stated after being asked a question, that Wisconsin has one of the best systems of any of the fifty states. If she had to choose a system, it would certainly be Wisconsin's. That is because it is properly funded, well administered, and earnings are distributed to each individual annuitant on the basis of the contracted amount at the time of retirement.

One of the first things I learned from my predecessors in the WRTA, focused on the importance of making certain that earnings be distributed in the above described manner. As one observes what has been happening to private and public pensions, which are being tampered with in one way or another, you come to the understanding why annuitants feel the way they do about how their funds are distributed.

When an individual becomes an annuitant, the state makes a long-term commitment to that person. The Wisconsin Retirement System enters into a contract with each individual at the time of retirement, which the annuitant and their families rely on to take care of their financial needs.

The Wisconsin Retired Teacher's Association supports Principal #9 of the Employee Trust Fund Board's guiding principles established on August 19, 1988, which reads as follows:

- #9 Oppose benefit changes that affect sub-groups of the Wisconsin Retirement System at the expense of other participants. The key to maintaining equity in the Wisconsin Retirement System is resisting benefit changes that affect one sub-group at the expense of other participants. While often well-intentioned, such special treatment has the effect

of splitting participants into factions that advocate for their needs without addressing all participants of the Wisconsin Retirement System. Such effort detracts from the legislature's public policy position that public employee retirement benefits should be applied in an equitable manner.

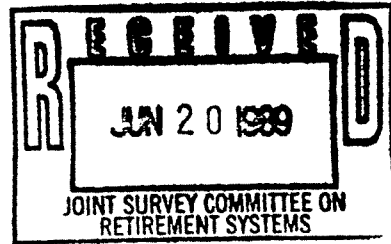
The Employee Trust Fund Board is responsible for the distribution of benefits to its annuitants. In carrying out this responsibility, it uses the expertise of actuarials and others to determine how this can best be accomplished. We believe that this responsibility ought to continue to rest with the Employee Trust Fund Board.

This is a pension system with a contract between an individual and the state, which is made at the time of retirement. Making this adjustment now as proposed in the Bill, may have very adverse affect upon retirees from whom the funds were taken at some later date because there would no longer be funds available from the Transactional Amortization Account to offset changes. Our members support the continuation of policy which allows the Employee Trust Fund Board to deal with these matters. Therefore, we hope that you will reject this Bill. Thank you very much.

Wisconsin Retirement System
 Annuities Being Paid December 31, 1988
 Tabulated By Year of Retirement
 (\$1,000s annually)

Year Ret'd.	Fixed Annuities			Variable Annuities				Average Total Annuity	
	No.	Initial	Increases	Total	No.	Initial	Increases		Total
1988	3,593	\$ 33,495	\$ 2	\$ 33,497	1,004	\$ 5,711	\$ 4	\$ 5,715	\$10,914
1987	4,532	38,736	1,032	39,768	1,230	6,380	(309)	6,071	10,115
1986	4,543	34,795	3,464	38,259	1,266	5,700	15	5,715	9,679
1985	4,587	35,073	6,382	41,455	1,241	4,362	1,004	5,366	10,207
1984	4,327	31,676	8,133	39,809	1,229	3,998	1,116	5,114	10,383
1983	3,818	19,361	6,504	25,865	1,070	2,880	1,415	4,295	7,899
1982	3,577	16,580	7,062	23,642	940	2,005	1,394	3,399	7,560
1981	3,624	13,000	6,702	19,702	915	1,743	1,242	2,985	6,260
1980	3,300	10,956	6,383	17,339	920	1,503	1,582	3,085	6,189
1979	3,035	9,714	6,276	15,990	850	1,207	1,563	2,770	6,181
1978	3,014	8,745	6,040	14,785	892	1,019	1,452	2,471	5,725
1977	3,060	8,390	6,003	14,393	879	999	1,372	2,371	5,479
1976	3,111	7,955	5,797	13,752	867	890	1,288	2,178	5,121
1975	2,808	6,758	5,034	11,792	737	619	1,123	1,742	4,820
1974	2,916	6,955	6,606	13,561	765	655	1,116	1,771	5,258
1973	2,438	5,664	6,038	11,702	619	616	843	1,459	5,398
1972	2,141	4,100	4,763	8,863	554	571	692	1,263	4,730
1971	1,605	2,432	3,007	5,439	351	371	452	823	3,902
1970	1,422	2,247	2,969	5,216	310	262	428	690	4,153
1969	1,223	1,762	2,426	4,188	279	254	302	556	3,879
1968	1,074	1,350	1,980	3,330	269	230	267	497	3,563
1967	914	1,181	1,798	2,979	168	133	182	315	3,604
1966	839	1,029	1,677	2,706	141	98	143	241	3,514
1965	698	718	1,273	1,991	92	75	114	189	3,121
1964	550	510	988	1,498	67	43	75	118	2,938
1963	528	517	1,072	1,589	47	30	59	89	3,179
1962	434	404	864	1,268	36	15	33	48	3,032
1961	318	292	641	933	19	9	18	27	3,019
1960	310	271	606	877	14	6	13	19	2,887
1959	246	203	468	671	7	4	7	11	2,772
1958	212	166	414	580	1	0	1	1	2,738
1957	171	141	343	484	0	0	0	0	2,826
1956	139	119	289	408	0	0	0	0	2,933
1955	155	132	318	450	0	0	0	0	2,898
1954	112	101	238	339	0	0	0	0	3,026
1953	108	78	197	275	0	0	0	0	2,550
1952	106	68	182	250	0	0	0	0	2,353
1951	80	57	147	204	0	0	0	0	2,549
1950	67	48	125	173	0	0	0	0	2,575
Prior	282	153	424	577	0	0	0	0	2,046
	70,017	\$305,932	\$114,667	\$420,599	17,779	\$42,388	\$19,006	\$61,394	\$ 6,884

Reporting for the most recent calendar year is normally not completed by the valuation date. The next valuation adjusts for this automatically.



WRS Annuity Purchasing Power Gain/Loss 1970 - 1989
 Based on Supplemental and Dividend Increases
 Compared to the Gain in CPI to 1989 (April)

YEAR	CPI	AVERAGE INITIAL ANNUITY	AVERAGE 1989 PAYMENT	PERCENT INCREASE	% INCREASE NEEDED TO MAINTAIN 100% PP	DIFFERENCE BETWEEN ACTUAL ANNUITY INCREASE (%) AND % INCREASE REQUIRED TO MAINTAIN 100% PP
1970	116.3	138	344	149.28	212.04	-62.76
71	121.3	136	324	138.24	199.18	-60.94
72	125.3	163	374	129.45	189.62	-60.18
73	133.1	204	453	122.06	172.65	-50.59
74	147.7	210	447	112.86	145.70	-32.84
75	161.2	216	415	92.13	128.12	-32.99
76	170.5	228	429	88.16	112.84	-24.69
77	181.5	243	457	88.07	99.94	-11.88
78	195.3	265	493	86.04	85.82	0.22
79	217.7	284	513	80.63	66.70	13.94
80	247.0	308	535	73.70	46.92	26.78
81	272.3	329	535	62.61	33.27	29.34
82	288.6	404	627	55.20	25.74	29.45
83	297.4	468	674	44.02	22.02	21.99
84	307.6	613	820	33.77	17.98	15.79
85	318.5	658	833	26.60	13.94	12.66
86	323.4	683	791	15.81	12.21	3.60
87	335.0	698	755	8.17	8.33	-0.16
88	348.5	736	763	3.67	4.13	-0.46
89	362.9	774	774	0.00	0.00	0.00