



## 1995 ASSEMBLY BILL 475

July 5, 1995 – Introduced by Representatives BLACK, R. POTTER, PLACHE, BALDUS, GROBSCHMIDT, RYBA, PLOMBON, ROBSON, BALDWIN, BOYLE and MEYER. Referred to Joint survey committee on Retirement Systems.

1     **AN ACT to amend** 40.02 (3) (a), 40.22 (2) (a) and 40.23 (2m) (fm); and **to create**  
2             40.02 (52m) and 40.02 (17) (am) of the statutes; **relating to:** treating school  
3             district employes in a similar manner to teachers under the Wisconsin  
4             retirement system.

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### *Analysis by the Legislative Reference Bureau*

Under current law, for purposes of the Wisconsin retirement system (WRS), a school district employe who is not a teacher is treated differently from a school district employe who is a teacher. This bill provides school district employes who are not teachers with the same criteria as teachers for participation under the WRS, for the determination of an annual earnings period under the WRS and for determining the minimum number of hours for calculating one year of creditable service under the WRS. The significance of this change is as follows:

1. An employe of a WRS employer (such as a school district employe) does not receive retirement benefits under the WRS (is not considered a “participating employe”) if he or she is not expected to work at least one-third of what is considered full-time employment by the department of employe trust funds (DETF), as determined by DETF rule. DETF rules define “one-third of full-time employment” as 440 hours per year for teachers and 600 hours per year for nonteachers. Therefore, under current law, school district employes who are not teachers must work at least 600 hours per year to receive retirement benefits under the WRS. By treating all school district employes like teachers, this bill decreases the number of required hours to 440.

2. Under the WRS, teachers have a different annual earnings period than other school district employes. The “annual earnings period” is used to determine the amount of creditable service and the final average earnings (average monthly rate of earnings in the 3 highest annual earnings periods) of a participating employe under the WRS for purposes of calculating retirement benefits. The annual earnings

period for all school district employes who are not teachers is the calendar year. For teachers, the annual earnings period is based on the beginning dates of consecutive school years and is determined by the employer in accordance with rules of DETF. DETF rules currently specify that the annual earnings period for all teachers is from July 1 to the following June 30. This bill provides that teachers and other school district employes shall have the same annual earnings period.

3. Under the WRS, DETF is authorized to determine by rule how much service in any annual earnings period is the full-time equivalent of one year of creditable service. Current DETF rules provide that the full-time equivalent of one year of creditable service for a teacher is 1,320 hours and for all other participating employes the full-time equivalent of one year of creditable service is 1,904 hours. This bill provides that the full-time equivalent of one year of creditable service for teachers and other school district employes is 1,320 hours.

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 the bill.

For further information see the *state and local* 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.** 40.02 (3) (a) of the statutes is amended to read:

2           40.02 (3) (a) For a teacher or school district employe, it means the period  
3 beginning on the first day of a school year and ending on the day prior to the  
4 beginning of the next school year, as determined by the employer in accordance with  
5 rules of the department.

6           **SECTION 2.** 40.02 (52m) of the statutes is created to read:

7           40.02 (52m) "School district employe" means an employe of a school district  
8 other than a teacher.

9           **SECTION 3.** 40.02 (17) (am) of the statutes is created to read:

10          40.02 (17) (am) Notwithstanding sub. (17) (intro.), for each participating  
11 employe who is a teacher or other school district employe, the full-time equivalent  
12 of one year of creditable service is 1,320 hours.

13          **SECTION 4.** 40.22 (2) (a) of the statutes is amended to read:

