



1995 SENATE BILL 314

August 30, 1995 – Introduced by Senators ANDREA, RUDE, WINEKE and CLAUSING, cosponsored by Representatives WIRCH, KREUSER, R. YOUNG, MUSSER, GRONEMUS, BLACK, GROBSCHMIDT, NOTESTEIN, BALDUS, RYBA, BOCK, BOYLE and BALDWIN. Referred to Joint survey committee on Retirement Systems.

- 1 **AN ACT to amend** 40.73 (1) (c) of the statutes; **relating to:** the pay out of a death
2 benefit for participating employes under the Wisconsin retirement system.

Analysis by the Legislative Reference Bureau

Under current law, the death benefit for a participant in the Wisconsin retirement system (WRS), other than an annuitant, is generally equal to the sum of the employe additional and employe required contribution accumulations. But if a participating employe has attained the age of 60, or age 55 if the participating employe is a protective occupation participant, and if the beneficiary is a dependent of the participating employe, the death benefit is generally equal to the present value of the life annuity that that beneficiary would have received had the participant been eligible to receive an annuity and had elected to receive the annuity in the form of a joint and survivor annuity.

The bill eliminates the requirement that the beneficiary be a dependent in order to receive the death benefit that equals the present value of a life annuity in the form of a joint and survivor annuity.

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.

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

- 3 **SECTION 1.** 40.73 (1) (c) of the statutes is amended to read:
4 40.73 (1) (c) In lieu of the benefit payable under par. (a) or (b), upon the death
5 of a participating employe who has attained the age of 60 years, or age 55 if a

1 protective occupation participant, ~~if the beneficiary to whom a death benefit is~~
2 ~~payable is a dependent of the participating employe, or a trust in which such a~~
3 ~~beneficiary has a beneficial interest,~~ the present value on the day following the date
4 of death of the life annuity to the beneficiary which would have been payable if the
5 participating employe had been eligible to receive a retirement annuity, computed
6 under s. 40.23 or 40.26, beginning on the date of death and had elected to receive the
7 annuity in the form of a joint and survivor annuity providing the same amount of
8 annuity to the surviving beneficiary as the reduced amount payable during the
9 participant's lifetime. If there is more than one beneficiary the amount of the
10 annuity and its present value will be determined as if the oldest of the beneficiaries
11 were the sole beneficiary. If the death benefit payable to the beneficiary under this
12 paragraph would be less than the amount determined under par. (a) or (b) the death
13 benefit shall be payable under par. (a) or (b) and this paragraph shall not be
14 applicable to the beneficiary. An annuitant receiving an annuity only under s. 40.24
15 (1) (f), which annuity was an immediate annuity, shall be deemed a participating
16 employe for purposes of this paragraph only, but the amount payable under s. 40.24
17 (1) (f) shall not be changed. There is no requirement under this paragraph that the
18 beneficiary be a dependent of the participating employe.

19 (END)