



**ASSEMBLY AMENDMENT 25,
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 1997 ASSEMBLY BILL 768**

May 6, 1998 - Offered by Representatives TRAVIS and KUNICKI.

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 11, line 13: after "enforcement;" insert "making an accelerated
3 distribution from the transaction amortization account of the fixed retirement
4 investment trust of the employe trust fund; increasing the retirement formula
5 multiplier for participating employes in the Wisconsin retirement system; affecting
6 certain assumptions for valuing the liabilities of the Wisconsin retirement system;".

7 **2.** Page 83, line 24: after that line insert:

8 "SECTION 83wm. 40.02 (7) of the statutes is amended to read:

9 40.02 (7) "Assumed rate" means the probable average effective rate expected
10 to be earned for the fixed annuity division on a long-term basis. The assumed rate
11 shall be a rate of ~~7.5%~~ 8% and the actuarial assumption for across-the-board salary
12 increases for the purpose of valuing the liabilities of the Wisconsin retirement system

1 shall be ~~1.9%~~ 3.2% less than the assumed rate unless due to changed economic
2 circumstances the actuary recommends and the board approves a different rate. The
3 assumed rate for a calendar year shall be used for all calculations of required
4 contributions and reserves for participants, except as provided in s. 40.04 (4) (a) 2.
5 and 2m., and the amount of any lump sum benefit paid instead of an annuity, except
6 it shall not be used for any purpose for which the assumed benefit rate is to be used
7 under sub. (6).”.

8 **3.** Page 86, line 9: after that line insert:

9 “**SECTION 84d.** 40.23 (2m) (e) 1. of the statutes is amended to read:

10 40.23 (2m) (e) 1. For each participant for creditable service of a type not
11 otherwise specified in this paragraph that is credited before January 1, 1998, 1.8%;
12 for such creditable service that is credited on or after January 1, 1998, 1.6%.

13 **SECTION 84h.** 40.23 (2m) (e) 2. of the statutes is amended to read:

14 40.23 (2m) (e) 2. For each participant for creditable service as an elected official
15 or as an executive participating employe that is credited before January 1, 1998,
16 2.2%; for such creditable service that is credited on or after January 1, 1998, 2%.

17 **SECTION 84p.** 40.23 (2m) (e) 3. of the statutes is amended to read:

18 40.23 (2m) (e) 3. For each participant subject to titles II and XVIII of the federal
19 social security act, for service as a protective occupation participant that is credited
20 before January 1, 1998, 2.2%; for such creditable service that is credited on or after
21 January 1, 1998, 2%.

22 **SECTION 84t.** 40.23 (2m) (e) 4. of the statutes is amended to read:

23 40.23 (2m) (e) 4. For each participant not subject to titles II and XVIII of the
24 federal social security act, for service as a protective occupation participant that is

1 credited before January 1, 1998, 2.7%; for such creditable service that is credited on
2 or after January 1, 1998, 2.5%.”.

3 **4.** Page 511, line 20: after that line insert:

4 **“SECTION 9115. Nonstatutory provisions; employe trust funds.**

5 (1b) TRANSFER OF FUNDS FROM THE TRANSACTION AMORTIZATION ACCOUNT OF THE
6 FIXED RETIREMENT INVESTMENT TRUST.

7 (a) On the effective date of this paragraph, \$2,100,000,000 shall be distributed
8 from the transaction amortization account of the fixed retirement investment trust
9 to the employe accumulation, employer accumulation and annuity reserves of the
10 fixed retirement investment trust in an amount equal to a percentage of the total
11 distribution determined by dividing each reserve’s balance on the prior January 1 by
12 the total balance of the fixed retirement investment trust on the prior January 1.

13 (b) The increase in the employer accumulation reserve that results from the
14 distribution under paragraph (a) shall, on the recommendation of the actuary, be
15 applied to funding any liabilities created by the treatment of section 40.23 (2m) (e)
16 1., 2., 3. and 4. of the statutes in this act.

17 (c) The total amount distributed to the employe accumulation reserve under
18 paragraph (a) shall be equitably credited to participants’ accounts based on their
19 account balances as of January 1, 1998, pursuant to section 40.04 (4) (a) 2. of the
20 statutes.

21 (d) The total amount distributed to the annuity reserve under paragraph (a)
22 shall be distributed as provided under section 40.27 (2) of the statutes.

23 (1bc) DETERMINATION OF EMPLOYER REQUIRED CONTRIBUTION RATE.

