

## 1999 ASSEMBLY BILL 145

March 2, 1999 – Introduced by Representatives BLACK and SCHNEIDER, cosponsored by Senator RISSER. Referred to Joint survey committee on Retirement Systems.

1     **AN ACT to amend** 40.02 (15) (a) (intro.), 1. to 4. and 6., (b) and (c) (intro.) and 1.  
2             to 3. , 40.02 (17) (intro.), 40.02 (40), 40.02 (48m) (f), 40.05 (2) (b), 40.25 (7) (a)  
3             (intro.), 40.25 (7) (b), 40.30 (3) and 40.71 (1) (c); and **to create** 40.05 (2) (bx) of  
4             the statutes; **relating to:** granting creditable service under the Wisconsin  
5             retirement system for service in the federal public health service.

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### *Analysis by the Legislative Reference Bureau*

Under current law, a participating employe under the Wisconsin retirement system (WRS) may receive one year of creditable service under WRS for each year of military service, up to a maximum of four years of military service credit, at the time of retirement in either of the following ways:

1. If the participant left employment covered under WRS to enter military service and returned to the same employer within 180 days after being discharged, the participant may receive one year of military service credit for each year of military service (regardless of the amount of the participant's creditable service).

2. If the participant's military service was performed before 1974 and the participant terminates employment covered under WRS on or after March 9, 1984, the participant may receive up to one, two, three or four years of military service credit if the participant has at least five, ten, fifteen or twenty years, respectively, of creditable service (not counting previously granted military service credit).

This bill provides for similar granting of creditable service under WRS for service in the federal public health service.

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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 this 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 (15) (a) (intro.), 1. to 4. and 6., (b) and (c) (intro.) and 1. to 3.  
2 of the statutes are amended to read:

3           40.02 **(15)** (a) (intro.) “Creditable military or the federal public health service”  
4 means active service in the U.S. armed forces or federal public health service, based  
5 on the total period of service in the U.S. armed forces or the federal public health  
6 service, provided:

7           1. The participant enlisted or was ordered or inducted into active service in the  
8 U.S. armed forces or joined the federal public health service;

9           2. The participant left the employment of a participating employer to enter the  
10 U.S. armed forces or the federal public health service;

11           3. The participant returns to the employment of the employer whose  
12 employment the participant left to enter the U.S. armed forces or the federal public  
13 health service within 180 days of release or discharge from the armed forces or  
14 resignation from the federal public health service, or within 180 days of release from  
15 hospitalization because of injury or sickness resulting from service in the armed  
16 forces or the federal public health service;

17           4. The period of service in the U.S. armed forces or the federal public health  
18 service is not more than 4 years, unless involuntarily extended for a longer period;

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1           6. The participant upon return from service in the U.S. armed forces or the  
2 federal public health service furnishes evidence required to establish the  
3 participant's rights under this chapter; and

4           (b) The creditable military or federal public health service under par. (a) shall  
5 be the same type, as set forth in s. 40.23 (2m) (e), as the participant was receiving  
6 prior to entry into the U.S. armed forces or the federal public health service.

7           (c) (intro.) Notwithstanding sub. (17) (intro.) and any other law, any person who  
8 is credited with 5, 10, 15 or 20 or more years of creditable service, not counting any  
9 previously granted creditable military or federal public health service, may receive  
10 creditable military or federal public health service at the time of retirement for not  
11 more than 1, 2, 3 or 4 years, respectively, of active service which meets the standards  
12 under par. (a) 5., if applicable, provided:

13           1. This paragraph applies only to active military or federal public health service  
14 served prior to January 1, 1974.

15           2. Any creditable military or federal public health service otherwise granted  
16 shall be included in determining the maximum years to be granted under this  
17 paragraph.

18           3. Creditable military or federal public health service under this paragraph  
19 shall be allocated at the time of retirement in proportion to the amount of the  
20 participant's creditable service for each of the types of creditable service set forth in  
21 s. 40.23 (2m) (e) on the date the participant attains 5, 10, 15 or 20 years of creditable  
22 service.

23           **SECTION 2.** 40.02 (17) (intro.) of the statutes is amended to read:

24           40.02 (17) (intro.) "Creditable service" means the creditable current and prior  
25 service, expressed in years and fractions of a year to the nearest one-hundredth, for

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1 which a participating employe receives or is considered to receive earnings under  
2 sub. (22) (e) or (em) and for which contributions have been made as required by s.  
3 40.05 (1) and (2) and creditable military or federal public health service, service  
4 credited under s. 40.25 (7) and service credited under s. 40.29, expressed in years and  
5 fractions of years to the nearest one-hundredth. How much service in any annual  
6 earnings period is the full-time equivalent of one year of creditable service shall be  
7 determined by rule by the department and the rules may provide for differing  
8 equivalents for different types of employment. Except as provided under pars. (i) and  
9 (k), the amount of creditable service for periods prior to January 1, 1982, shall be the  
10 amount for which the participant was eligible under the applicable laws and rules  
11 in effect prior to January 1, 1982. No more than one year of creditable service shall  
12 be granted for any annual earnings period. Creditable service is determined in the  
13 following manner for the following persons:

14 **SECTION 3.** 40.02 (40) of the statutes is amended to read:

15 40.02 **(40)** "Leave of absence" means any period during which an employe has  
16 ceased to render services for a participating employer and receive earnings and there  
17 has been no formal termination of the employer-employe relationship. For purposes  
18 of the fund every leave of absence, except a military or federal public health service  
19 leave or union service leave, shall terminate 3 years after it begins or, if earlier, upon  
20 the date specified by the employer in a notification to the department that the  
21 employer-employe relationship has terminated. A leave of absence is not deemed  
22 ended or interrupted by reason of resumption of active duty until the employe has  
23 resumed active performance of duty for 30 consecutive calendar days for at least 50%  
24 of what is considered that employe's normal work time with that employer. For the  
25 purpose of group health insurance coverage, every leave of absence due to employe

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1       layoff which has not been terminated before 3 years have elapsed shall continue for  
2       affected insured employes until an additional 2 years elapse or until sick leave  
3       credits used to pay health insurance premiums are exhausted, whichever occurs  
4       first.

5               **SECTION 4.** 40.02 (48m) (f) of the statutes is amended to read:

6               40.02 **(48m)** (f) The judgment, decree or order requires the participant to  
7       certify, in a form prescribed by the department, all of the participant's active military  
8       or federal public health service, as described in sub. (15) (a).

9               **SECTION 5.** 40.05 (2) (b) of the statutes is amended to read:

10              40.05 **(2)** (b) Contributions shall be made by each participating employer for  
11       unfunded prior service liability in a percentage of the earnings of each participating  
12       employee. A separate percentage rate shall be determined for the employee  
13       occupational categories under s. 40.23 (2m) as of the employer's effective date of  
14       participation. The rates shall be sufficient to amortize as a level percent of payroll  
15       over a period of 40 years from the later of that date or January 1, 1986, the unfunded  
16       prior service liability for the categories of employes of each employer determined  
17       under s. 40.05 (2) (b), 1981 stats., increased to reflect any creditable prior service  
18       granted on or after January 1, 1986, increased to reflect the effect of 1983 Wisconsin  
19       Act 141, increased at the end of each calendar year after January 1, 1986, by interest  
20       at the assumed rate on the unpaid balance at the end of the year and adjusted under  
21       pars. (bu), (bv) ~~and~~, (bw) and (bx).

22              **SECTION 6.** 40.05 (2) (bx) of the statutes is created to read:

23              40.05 **(2)** (bx) The employer contribution rate determined under par. (b) for  
24       participating employes who served in the federal public health service shall be  
25       adjusted to reflect the cost of granting creditable service for those participating

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1 employees under s. 40.02 (15) and that rate shall be sufficient to amortize the  
2 unfunded prior service liability of the employers over the remainder of the 40-year  
3 amortization period under par. (b).

4 **SECTION 7.** 40.25 (7) (a) (intro.) of the statutes is amended to read:

5 40.25 (7) (a) (intro.) Each participating employe whose creditable service  
6 terminates on or after May 1, 1992, and who has performed service, other than  
7 military service or federal public health service, as an employe of the federal  
8 government or a state or local governmental entity in the United States, other than  
9 a participating employer, that is located within or outside of this state, or each  
10 participating employe whose creditable service terminates on or after May 4, 1994,  
11 and who has performed service as an employe for an employer who was not at the  
12 time a participating employer but who subsequently became a participating  
13 employer, may receive creditable service for such service if all of the following  
14 conditions are met:

15 **SECTION 8.** 40.25 (7) (b) of the statutes is amended to read:

16 40.25 (7) (b) Creditable service granted under par. (a) shall be calculated in an  
17 amount equal to the year and fractions of a year to the nearest one-hundredth of a  
18 year for service, other than military service or federal public health service,  
19 performed for the governmental entity, as determined by evidence of such service  
20 furnished under par. (a) 4. Creditable service granted under par. (a) shall be the  
21 same type of creditable service as the type that is granted to participants who are not  
22 executive participating employes, elected officials or protective occupation  
23 participants. A participating employe may apply to receive part or all of the  
24 creditable service that he or she is eligible to receive under par. (a).

25 **SECTION 9.** 40.30 (3) of the statutes is amended to read:

