

1999 ASSEMBLY BILL 326

May 6, 1999 – Introduced by Representatives RHOADES, MUSSER, PLOUFF, ALBERS, BOYLE, BRANDEMUEHL, FREESE, GOETSCH, GRONEMUS, GUNDERSON, HAHN, HASENOHRL, HUNDERTMARK, JESKEWITZ, KREIBICH, LADWIG, PETTIS, OWENS and POWERS, cosponsored by Senators CLAUSING, DARLING, FITZGERALD, ROESSLER, RUDE and SCHULTZ. Referred to Joint survey committee on Retirement Systems.

1 **AN ACT** *to amend* 40.05 (2) (b); and *to create* 40.02 (15) (d) and 40.05 (2) (bx) of
 2 the statutes; **relating to:** granting creditable service under the Wisconsin
 3 retirement system for service in the national guard or a reserve component of
 4 the U.S. armed forces.

Analysis by the Legislative Reference Bureau

Under current law, a participant in 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 that any participant in the WRS who has served 20 or more years in the national guard or a reserve component of the U.S. armed forces may receive one year of creditable military service at the time of retirement. The bill,

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however, does not affect the maximum number of years that may be credited for military service.

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.

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

1 **SECTION 1.** 40.02 (15) (d) of the statutes is created to read:

2 40.02 **(15)** (d) Notwithstanding par. (a) (intro.) and sub. (17) (intro.), any
3 participant who has served 20 or more years in the national guard or a reserve
4 component of the U.S. armed forces may receive one year of creditable military
5 service at the time of retirement. The creditable service granted under this
6 paragraph shall be the same type of creditable service set forth in s. 40.23 (2m) (e)
7 earned by the participant on the date that the participant terminates covered
8 employment.

9 **SECTION 2.** 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 employe. A separate percentage rate shall be determined for the employe
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

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1 at the assumed rate on the unpaid balance at the end of the year and adjusted under
2 pars. (bu), (bv) ~~and~~, (bw) and (bx).

3 **SECTION 3.** 40.05 (2) (bx) of the statutes is created to read:

4 40.05 (2) (bx) The employer contribution rate determined under par. (b) for
5 participating employes who served in the national guard or a reserve component of
6 the U.S. armed forces shall be adjusted to reflect the cost of granting creditable
7 military service for those participating employes under s. 40.02 (15) (d) and that rate
8 shall be sufficient to amortize the unfunded prior service liability of the employers
9 over the remainder of the 40-year amortization period under par. (b).

10 **SECTION 4. Initial applicability.**

11 (1) This act first applies to the calculation of years of creditable service under
12 the Wisconsin retirement system for a person who is a participating employe in the
13 Wisconsin retirement system on the effective date of this subsection.

14 (END)