## 1999 ASSEMBLY BILL 388

June 15, 1999 – Introduced by Representatives J. Lehman, Pocan, Ryba, Gronemus, Plouff, Handrick, Miller and Sykora, cosponsored by Senator Darling. Referred to Joint survey committee on Retirement Systems.

- 1 AN ACT *to amend* 40.02 (42) (d); and *to create* 40.02 (42) (am) of the statutes;
- relating to: the normal retirement date under the Wisconsin retirement system for individuals employed by certain school districts.

#### Analysis by the Legislative Reference Bureau

Under current law, the normal retirement date in the Wisconsin retirement system (WRS) is the date on which a participant in the WRS is eligible to receive full retirement benefits. With certain exceptions, if a participant retires before his or her normal retirement date, the participant's WRS annuity is reduced. Currently, the normal retirement date for a participant who is not a protective occupation participant, elected official or executive participating employe is the date on which he or she attains the age of 65 years. This bill provides that the normal retirement date for an individual who is employed by a school district is 55 if a referendum held in the current or previous year for the purpose of exceeding the school district's revenue limit failed to pass and the school board determines that at least one of the following has occurred, as a result of financial constraints, within the current year or two previous years:

- 1. The school board closed a school.
- 2. The average size of classes in the school district has increased.
- 3. The school board reduced the size or extent of school programs.
- 4. The school board deferred scheduled building maintenance.

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.

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For further information see the *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:

**SECTION 1.** 40.02 (42) (am) of the statutes is created to read:

40.02 **(42)** (am) The date on which a participant attains the age of 55 for a participant who is employed by a school district, except as provided in par. (g), if a referendum held under s. 121.91 (3) in the current or previous year failed to pass and the school board determines that one or more of the following has occurred, as a result of financial constraints, within the current or 2 previous years:

- 1. The school board closed a school.
- 2. The average size of classes in the school district has increased.
- 3. The school board reduced the size or extent of school programs.
- 4. The school board deferred scheduled building maintenance.
- **SECTION 2.** 40.02 (42) (d) of the statutes is amended to read:
- 40.02 **(42)** (d) The date on which a participant attains the age of 65 years for any participant not subject to par. (a). (am) or (b), except as provided in par. (g).

### **SECTION 3. Initial applicability.**

(1) This act first applies to the determination of the normal retirement date for an individual who is employed by a school district and who is a participating employe in the Wisconsin retirement system on the effective date of this subsection.

18 (END)