

1999 DRAFTING REQUEST

Bill

Received: **07/15/1999**

Received By: **champra**

Wanted: **As time permits**

Identical to LRB:

For: **Tony Staskunas (608) 266-0620**

By/Representing: **Himself**

This file may be shown to any legislator: **NO**

Drafter: **champra**

May Contact:

Alt. Drafters:

Subject: **Employ Pub - retirement**

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Death benefits under the Wisconsin retirement system

Instructions:

See Attached.

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	champra 07/19/1999	wjackson 07/19/1999	jfrantze 07/19/1999	_____	lrb_docadmin 07/19/1999		S&L Retire
/2	champra 07/21/1999	wjackson 07/21/1999	jfrantze 07/27/1999	_____	lrb_docadmin 07/27/1999	lrb_docadmin 08/02/1999	S&L Retire

FE Sent For:

8/16/99

<END>

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12 7/21 WLJ
 J 7/27
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1/?	champra	1 WLJ 7/19	7/19	7/19			

FE Sent For:

<END>



ANTHONY J. STASKUNAS
STATE REPRESENTATIVE • 15TH ASSEMBLY DISTRICT

Memorandum

To: Legislative Research Bureau
From: Tony Staskunas
Date: July 14, 1999
Re: Bill Draft

I would Legislation drafted in accordance with this Memorandum.

Under current law, if a participant in the Wisconsin Retirement System dies before their retirement age, their spouse receives only the employee contribution into the Retirement System. Apparently, the employer contribution is forfeited and is kept by the Wisconsin Retirement System.

I would like this Bill Draft to change that scenario. Under this Bill, if a participant in the Wisconsin Retirement System dies prior to reaching their earliest retirement age, the participant's spouse would receive the full pension payment, including the employer contribution and employee contribution, provided that the employer meets the following thresholds:

- a) The participant is an active employee and participating in the Wisconsin Retirement System;
- b) The participant is still actively employed;
- c) The participant has participated in the Wisconsin Retirement System for at least 20 years. This would include any time in which a participant participated in another public employee retirement fund and subsequently became covered under the Wisconsin Retirement System.

OFFICE: P.O. BOX 8953 • MADISON, WI 53708 • (608) 266-0620
HOME: 2010 SOUTH 103RD COURT • WEST ALLIS, WI 53227 • (414) 541-9440
TOLL-FREE NUMBER: 1-888-534-0015 • FAX: (608) 282-3615

PRINTED ON RECYCLED PAPER

No. 9348 P. 2/3

STASKUNAS TONY

9:29AM

Jul 15, 1999

July 14, 1999

Under these provisions, I want the employee and their spouse to be treated as annuitants that elected a full joint account payout. Further, I want this Legislation to be effective for any deaths after June 30, 1999.



1999 BILL

Gen cat

1 AN ACT ...; relating to: death benefits provided under the Wisconsin retirement
2 system.

Analysis by the Legislative Reference Bureau

Under current law, a beneficiary of a participant in the Wisconsin retirement system (WRS) may receive a death benefit upon the death of the participant. Generally, if the participant at the time of death was not an annuitant under the WRS, the value of the death benefit equals the sum of the additional and employe required contribution accumulations credited to the participant's account. The value of the death benefit does not include the employer required contribution accumulations. However, there is one exception. If the participant at the time of death was a participating employe and had attained the age of 55, or the age of 50 if the participant was a protective occupation participant, his or her beneficiary is eligible to receive an automatic joint survivor death benefit. The value of the joint survivor death benefit would be based on the sum of the additional and employe required contribution accumulations credited to the participant's account and the employer required contribution accumulations.

This bill provides that any WRS participant who at the time of death was a participating employe and had attained at least 20 years of creditable service shall have his or her death benefit based on the sum of the additional and employe required contribution accumulations credited to the participant's account and the employer required contribution accumulations, but only if the beneficiary to whom a death benefit is payable is the spouse of the participating employe, or a trust in

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-3285/1dn

RAC: L:...

WLj

Under Article IV, section 26 (3), of the Wisconsin Constitution any retroactive increase in retirement benefits provided to a former employe must be approved by a three-fourths vote of all members elected to both houses of the legislature and must be funded with moneys appropriated from the general fund. If you wish for this increase in death benefits to be retroactive to participating employes who died before the effective date of the bill, I will need to create an appropriation from the general fund for this purpose. Under the Wisconsin Constitution, the increase cannot be funded from moneys in the employe trust fund. Please advise.

Rick Champagne
Legislative Attorney
Phone: (608) 266-9930
E-mail: Rick.Champagne@legis.state.wi.us

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3285/1dn
RAC:wlj:jf

July 19, 1999

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Rick Champagne
Legislative Attorney
Phone: (608) 266-9930
E-mail: Rick.Champagne@legis.state.wi.us

**SUBMITTAL
FORM**

**LEGISLATIVE REFERENCE BUREAU
Legal Section Telephone: 266-3561
5th Floor, 100 N. Hamilton Street**

The attached draft is submitted for your inspection. Please check each part carefully, proofread each word, and sign on the appropriate line(s) below.

Date: 7/19/99

To: Representative Staskunas

Relating to LRB drafting number: LRB-3285

Topic

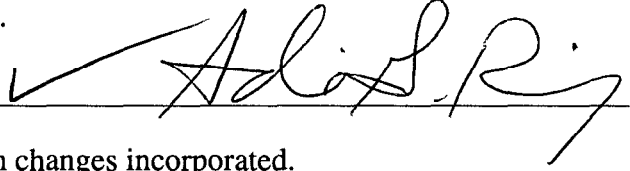
Death benefits under the Wisconsin retirement system

Subject(s)

Employ Pub - retirement

1. **JACKET** the draft for introduction _____

in the **Senate** ____ or the **Assembly** ____ (check only one). Only the requester under whose name the drafting request is entered in the LRB's drafting records may authorize the draft to be submitted. Please allow one day for the preparation of the required copies.

2. **REDRAFT.** See the changes indicated or attached  _____

A revised draft will be submitted for your approval with changes incorporated.

3. Obtain **FISCAL ESTIMATE NOW**, prior to introduction _____

If the analysis indicates that a fiscal estimate is required because the proposal makes an appropriation or increases or decreases existing appropriations or state or general local government fiscal liability or revenues, you have the option to request the fiscal estimate prior to introduction. If you choose to introduce the proposal without the fiscal estimate, the fiscal estimate will be requested automatically upon introduction. It takes about 10 days to obtain a fiscal estimate. Requesting the fiscal estimate prior to introduction retains your flexibility for possible redrafting of the proposal.

If you have any questions regarding the above procedures, please call 266-3561. If you have any questions relating to the attached draft, please feel free to call me.

Richard A. Champagne, Legislative Attorney
Telephone: (608) 266-9930

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-3285/1dn
RAC:wljf

July 19, 1999

Gave to
Tony 7/23/99

Under Article IV, section 26 (3), of the Wisconsin Constitution any retroactive increase in retirement benefits provided to a former employe must be approved by a three-fourths vote of all members elected to both houses of the legislature and must be funded with moneys appropriated from the general fund. If you wish for this increase in death benefits to be retroactive to participating employes who died before the effective date of the bill, I will need to create an appropriation from the general fund for this purpose. Under the Wisconsin Constitution, the increase cannot be funded from moneys in the employe trust fund. Please advise.

Rick Champagne
Legislative Attorney
Phone: (608) 266-9930
E-mail: Rick.Champagne@legis.state.wi.us

Would like effective date of
6-30-99.



1999 BILL

- 1 **AN ACT to create** 40.73 (1) (cm) of the statutes; **relating to:** death benefits
2 provided under the Wisconsin retirement system.

Analysis by the Legislative Reference Bureau

Under current law, a beneficiary of a participant in the Wisconsin retirement system (WRS) may receive a death benefit upon the death of the participant. Generally, if the participant at the time of death was not an annuitant under the WRS, the value of the death benefit equals the sum of the additional and employe required contribution accumulations credited to the participant's account. The value of the death benefit does not include the employer required contribution accumulations. However, there is one exception. If the participant at the time of death was a participating employe and had attained the age of 55, or the age of 50 if the participant was a protective occupation participant, his or her beneficiary is eligible to receive an automatic joint survivor death benefit. The value of the joint survivor death benefit would be based on the sum of the additional and employe required contribution accumulations credited to the participant's account and the employer required contribution accumulations.

This bill provides that any WRS participant who at the time of death was a participating employe and had attained at least 20 years of creditable service shall have his or her death benefit based on the sum of the additional and employe required contribution accumulations credited to the participant's account and the employer required contribution accumulations, but only if the beneficiary to whom a death benefit is payable is the spouse of the participating employe, or a trust in which the spouse has a beneficial interest. Under the bill, the death benefit provided the spouse is in the form of a joint survivor death benefit.



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1999 BILL

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→ This bill first applies to individuals who were participating employes under the WRS on June 30, 1999.

BILL

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:

Insert
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SECTION 1. 40.73 (1) (cm) of the statutes is created to read:

40.73 (1) (cm) In lieu of the benefit payable under par. (a), (b) or (c), upon the death of a participating employe who, prior to death, had attained at least 20 years of creditable service, if the beneficiary to whom a death benefit is payable is the spouse of the participating employe, or a trust in which the spouse has a beneficial interest, the present value on the day following the date of death of the life annuity to the beneficiary which would have been payable if the participating employe had been eligible to receive a retirement annuity, computed under s. 40.23 or 40.26, beginning on the date of death and had elected to receive the annuity in the form of a joint and survivor annuity providing the same amount of annuity to the surviving beneficiary as the reduced amount payable during the participant's lifetime. If the death benefit payable to the beneficiary under this paragraph would be less than the amount determined under par. (a), (b) or (c) the death benefit shall be payable under par. (a), (b) or (c) and this paragraph shall not be applicable to the beneficiary.

SECTION 2. Initial applicability.

(1) This act first applies to death benefits for individuals who are participating employes in the Wisconsin retirement system on ~~the effective date of this subsection.~~

(END)

June 30,
1999

1999-2000 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3285/2ins
RAC::

Insert 2-1:

SECTION 1. 20.515 (1) (bm) [✓] of the statutes is created to read:

20.515 (1) (bm) *Increased death benefits.* A sum sufficient to pay the cost of any increased death benefits required under 1999 Wisconsin Act (this act), for individuals who were participating employees in the Wisconsin retirement system on June 30, 1999, but who terminated covered employment before the effective date of this paragraph [revisor inserts date].

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-3285/1dn
RAC:wljjf

2dn

July 19, 1999

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**DRAFTER'S NOTE
FROM THE
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LRB-3285/2dn
RAC:wlj:jf

July 27, 1999

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