

**1999 DRAFTING REQUEST**

**Bill**

Received: **01/13/99**

Received By: **champra**

Wanted: **As time permits**

Identical to LRB:

For: **Robert Wirch (608) 267-8979**

By/Representing: **Ed Muzik**

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

Drafter: **champra**

May Contact:

Alt. Drafters:

Subject:       **Employ Pub - employe benefits**  
                  **Employ Pub - miscellaneous**  
                  **Employ Pub - retirement**

Extra Copies:

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**Pre Topic:**

No specific pre topic given

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**Topic:**

Beneficiary of a WRS death benefit

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**Instructions:**

Redraft 1995 SB 314

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**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 02/6/99	chanaman 02/9/99	hhagen 02/9/99	_____	lrb_docadmin 02/9/99	lrb_docadminS&L 02/12/99	Retire

FE Sent For:

*04-21-99*

<END>

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1?	champra	CMM /1 2/8	2/9	#/SF 2/9			

FE Sent For:

<END>



## 1995 SENATE BILL 314

August 30, 1995 – Introduced by Senators ANDREA, RUDE, WINEKE and CLAUSING, cosponsored by Representatives WIRCH, KREUSER, R. YOUNG, MUSSER, GRONEMUS, BLACK, GROBSCHMIDT, NOTESTEIN, BALDUS, RYBA, BOCK, BOYLE and BALDWIN. Referred to Joint survey committee on Retirement Systems.

- 1     **AN ACT to amend** 40.73 (1) (c) of the statutes; **relating to:** the pay out of a death  
2           benefit for participating employes under the Wisconsin retirement system.

---

### *Analysis by the Legislative Reference Bureau*

Under current law, the death benefit for a participant in the Wisconsin retirement system (WRS), other than an annuitant, is generally equal to the sum of the employe additional and employe required contribution accumulations. But if a participating employe has attained the age of 60, or age 55 if the participating employe is a protective occupation participant, and if the beneficiary is a dependent of the participating employe, the death benefit is generally equal to the present value of the life annuity that that beneficiary would have received had the participant been eligible to receive an annuity and had elected to receive the annuity in the form of a joint and survivor annuity.

The bill eliminates the requirement that the beneficiary be a dependent in order to receive the death benefit that equals the present value of a life annuity in the form of a joint and survivor annuity.

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 the 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:***

- 3           **SECTION 1.** 40.73 (1) (c) of the statutes is amended to read:  
4           40.73 (1) (c) In lieu of the benefit payable under par. (a) or (b), upon the death  
5           of a participating employe who has attained the age of 60 years, or age 55 if a

1 protective occupation participant, ~~if the beneficiary to whom a death benefit is~~  
2 ~~payable is a dependent of the participating employe, or a trust in which such a~~  
3 ~~beneficiary has a beneficial interest,~~ the present value on the day following the date  
4 of death of the life annuity to the beneficiary which would have been payable if the  
5 participating employe had been eligible to receive a retirement annuity, computed  
6 under s. 40.23 or 40.26, beginning on the date of death and had elected to receive the  
7 annuity in the form of a joint and survivor annuity providing the same amount of  
8 annuity to the surviving beneficiary as the reduced amount payable during the  
9 participant's lifetime. If there is more than one beneficiary the amount of the  
10 annuity and its present value will be determined as if the oldest of the beneficiaries  
11 were the sole beneficiary. If the death benefit payable to the beneficiary under this  
12 paragraph would be less than the amount determined under par. (a) or (b) the death  
13 benefit shall be payable under par. (a) or (b) and this paragraph shall not be  
14 applicable to the beneficiary. An annuitant receiving an annuity only under s. 40.24  
15 (1) (f), which annuity was an immediate annuity, shall be deemed a participating  
16 employe for purposes of this paragraph only, but the amount payable under s. 40.24  
17 (1) (f) shall not be changed. There is no requirement under this paragraph that the  
18 beneficiary be a dependent of the participating employe.

19 (END)



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-1747/1

RAC:.....

*cmh/ksl*

1999 BILL

*year*  
1 AN ACT ...; relating to: the payment of death benefits for participating employes  
2 in the Wisconsin retirement system.

---

*Analysis by the Legislative Reference Bureau*

Under current law, the death benefit for most participants in the Wisconsin retirement system (WRS), other than annuitants, equals the sum of the additional and employe<sup>o</sup> required contribution accumulations credited to the participant's account. In other words, the death benefit does not include the employe<sup>o</sup> required contribution accumulations. However, if the participant at the time of death was a participating employe, had attained the age of 55, or the age of 50 if he or she was a protective occupation participant, and his or her beneficiary is a dependent, the death benefit is equal to the present value of the life annuity that the beneficiary would have received had the participating employe been eligible to receive an annuity and had elected to receive the annuity in the form of a joint and survivor annuity. The valuation of such a death benefit would include the employe<sup>o</sup> required contribution accumulations.

This bill eliminates the requirement that the beneficiary be a dependent in order to receive the death benefit that equals the present value of a life annuity in the form of a joint and survivor annuity.

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.

**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.** 40.73 (1) (c) of the statutes is amended to read:

2           40.73 (1) (c) In lieu of the benefit payable under par. (a) or (b), upon the death  
3 of a participating employe who, prior to death, met all of the requirements under s.  
4 40.23 (1) except termination of employment and the filing of an application, ~~if the~~  
5 ~~beneficiary to whom a death benefit is payable is a dependent of the participating~~  
6 ~~employe, or a trust in which such a beneficiary has a beneficial interest,~~ the present  
7 value on the day following the date of death of the life annuity to the beneficiary  
8 which would have been payable if the participating employe had been eligible to  
9 receive a retirement annuity, computed under s. 40.23 or 40.26, beginning on the  
10 date of death and had elected to receive the annuity in the form of a joint and survivor  
11 annuity providing the same amount of annuity to the surviving beneficiary as the  
12 reduced amount payable during the participant's lifetime. If there is more than one  
13 beneficiary the amount of the annuity and its present value will be determined as  
14 if the oldest of the beneficiaries were the sole beneficiary. If the death benefit payable  
15 to the beneficiary under this paragraph would be less than the amount determined  
16 under par. (a) or (b) the death benefit shall be payable under par. (a) or (b) and this  
17 paragraph shall not be applicable to the beneficiary. An annuitant receiving an  
18 annuity only under s. 40.24 (1) (f), which annuity was an immediate annuity, shall  
19 be deemed a participating employe for purposes of this paragraph only, but the  
20 amount payable under s. 40.24 (1) (f) shall not be changed. For the purpose of this

**BILL**

1 paragraph, the department may not require that the beneficiary be a dependent of  
2 the participating employe.

History: 1981 c. 96; 1983 a. 141, 290; 1987 a. 309; 1989 a. 110, 166; 1995 a. 302, 414; 1997 a. 58.

3 **SECTION 2. Initial applicability.**

4 (1) This act first applies to death benefits paid to participants in the Wisconsin  
5 retirement system who are participating employes in the Wisconsin retirement  
6 system on the effective date of this subsection.

7 (END)



**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:** 2/9/99

**To:** Senator Wirch

**Relating to LRB drafting number:** LRB-1747

**Topic**

Beneficiary of a WRS death benefit

**Subject(s)**

Employ Pub - employe benefits, ~~Employ Pub - miscellaneous~~, Employ Pub - retirement

1. **JACKET** the draft for introduction Sen Robert Wirch  
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