

**ASSEMBLY AMENDMENT 1,  
TO 2001 ASSEMBLY BILL 414**

January 14, 2002 – Offered by Representative MUSSER.

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 1, line 3: after “system” insert “and granting creditable service under  
3 the Wisconsin retirement system for service in the federal public health service and  
4 national oceanic and atmospheric administration”.

5 **2.** Page 2, line 1: before that line insert:

6 “**SECTION 1c.** 40.02 (15) (a) (intro.) of the statutes is amended to read:

7 40.02 (15) (a) (intro.) “Creditable military, federal public health, or national  
8 oceanic and atmospheric administration service” means active service in the U.S.  
9 armed forces, federal public health service, or national oceanic and atmospheric  
10 administration, based on the total period of service in the U.S. armed forces, federal  
11 public health service, or national oceanic and atmospheric administration, provided:

12 **SECTION 1g.** 40.02 (15) (a) 1. to 4. of the statutes are amended to read:

1           40.02 (15) (a) 1. The participant enlisted or was ordered or inducted into active  
2 service in the U.S. armed forces or joined the federal public health service or national  
3 oceanic and atmospheric administration;

4           2. The participant left the employment of a participating employer to enter the  
5 U.S. armed forces, federal public health service, or national oceanic and atmospheric  
6 administration;

7           3. The participant returns to the employment of the employer whose  
8 employment the participant left to enter the U.S. armed forces, federal public health  
9 service, or national oceanic and atmospheric administration within 180 days of  
10 release or discharge from the armed forces or resignation from the federal public  
11 health service or national oceanic and atmospheric administration, or within 180  
12 days of release from hospitalization because of injury or sickness resulting from  
13 service in the armed forces, federal public health service, or national oceanic and  
14 atmospheric administration;

15           4. The period of service in the U.S. armed forces, federal public health service,  
16 or national oceanic and atmospheric administration is not more than 4 years, unless  
17 involuntarily extended for a longer period;

18           **SECTION 1L.** 40.02 (15) (a) 6. of the statutes is amended to read:

19           40.02 (15) (a) 6. The participant upon return from service in the U.S. armed  
20 forces, federal public health service, or national oceanic and atmospheric  
21 administration furnishes evidence required to establish the participant's rights  
22 under this chapter; and

23           **SECTION 1p.** 40.02 (15) (b) of the statutes is amended to read:

24           40.02 (15) (b) The creditable military service, federal public health service, or  
25 national oceanic and atmospheric administration under par. (a) shall be the same

1 type, as set forth in s. 40.23 (2m) (e), as the participant was receiving prior to entry  
2 into the U.S. armed forces, federal public health service, or national oceanic and  
3 atmospheric administration.

4 **SECTION 1t.** 40.02 (15) (c) (intro.) of the statutes is amended to read:

5 40.02 (15) (c) (intro.) Notwithstanding sub. (17) (intro.) and any other law, any  
6 person who is credited with 5, 10, 15, or 20 or more years of creditable service, not  
7 counting any previously granted creditable military, federal public health, or  
8 national oceanic and atmospheric administration service, may receive creditable  
9 military, federal public health, or national oceanic and atmospheric administration  
10 service at the time of retirement for not more than 1, 2, 3, or 4 years, respectively, of  
11 active service which meets the standards under par. (a) 5., provided:”.

12 **3.** Page 2, line 1: delete “**SECTION 1**” and substitute “**SECTION 1x**”.

13 **4.** Page 2, line 5: after “military” insert “, federal public health, or national  
14 oceanic and atmospheric administration”.

15 **5.** Page 2, line 9: after “military” insert “, federal public health, or national  
16 oceanic and atmospheric administration”.

17 **6.** Page 2, line 9: after that line insert:

18 “**SECTION 3m.** 40.02 (15) (c) 2. and 3. of the statutes are amended to read:

19 40.02 (15) (c) 2. Any creditable military, federal public health, or national  
20 oceanic and atmospheric administration service otherwise granted shall be included  
21 in determining the maximum years to be granted under this paragraph.

22 3. Creditable military, federal public health, or national oceanic and  
23 atmospheric administration service under this paragraph shall be allocated at the  
24 time of retirement in proportion to the amount of the participant’s creditable service

1 for each of the types of creditable service set forth in s. 40.23 (2m) (e) on the date the  
2 participant attains 5, 10, 15, or 20 years of creditable service.”.

3 **7.** Page 2, line 18: after that line insert:

4 **“SECTION 5b.** 40.02 (17) (intro.) of the statutes is amended to read:

5 40.02 **(17)** (intro.) “Creditable service” means the creditable current and prior  
6 service, expressed in years and fractions of a year to the nearest one–hundredth, for  
7 which a participating employee receives or is considered to receive earnings under  
8 sub. (22) (e) or (em) and for which contributions have been made as required by s.  
9 40.05 (1) and (2) and creditable military, federal public health, or national oceanic  
10 and atmospheric administration service, service credited under s. 40.25 (7) and  
11 service credited under s. 40.29, expressed in years and fractions of years to the  
12 nearest one–hundredth. How much service in any annual earnings period is the  
13 full–time equivalent of one year of creditable service shall be determined by rule by  
14 the department and the rules may provide for differing equivalents for different  
15 types of employment. Except as provided under pars. (i) and (k), the amount of  
16 creditable service for periods prior to January 1, 1982, shall be the amount for which  
17 the participant was eligible under the applicable laws and rules in effect prior to  
18 January 1, 1982. No more than one year of creditable service shall be granted for any  
19 annual earnings period. Creditable service is determined in the following manner  
20 for the following persons:

21 **SECTION 5d.** 40.02 (40) of the statutes is amended to read:

22 40.02 **(40)** “Leave of absence” means any period during which an employee has  
23 ceased to render services for a participating employer and receive earnings and there  
24 has been no formal termination of the employer–employee relationship. For

1 purposes of the fund every leave of absence, except a military, federal public health  
2 service, or national oceanic and atmospheric administration leave or union service  
3 leave, shall terminate 3 years after it begins or, if earlier, upon the date specified by  
4 the employer in a notification to the department that the employer–employee  
5 relationship has terminated. A leave of absence is not deemed ended or interrupted  
6 by reason of resumption of active duty until the employee has resumed active  
7 performance of duty for 30 consecutive calendar days for at least 50% of what is  
8 considered that employee’s normal work time with that employer. For the purpose  
9 of group health insurance coverage, every leave of absence due to employee layoff  
10 which has not been terminated before 3 years have elapsed shall continue for affected  
11 insured employees until an additional 2 years elapse or until sick leave credits used  
12 to pay health insurance premiums are exhausted, whichever occurs first.

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

14 40.02 **(48m)** (f) The judgment, decree, or order requires the participant to  
15 certify, in a form prescribed by the department, all of the participant’s active military,  
16 federal public health, or national oceanic and atmospheric administration service,  
17 as described in sub. (15) (a).

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

19 40.05 **(2)** (b) Contributions shall be made by each participating employer for  
20 unfunded prior service liability in a percentage of the earnings of each participating  
21 employee. A separate percentage rate shall be determined for the employee  
22 occupational categories under s. 40.23 (2m) as of the employer’s effective date of  
23 participation. The rates shall be sufficient to amortize as a level percent of payroll  
24 over a period of 40 years from the later of that date or January 1, 1986, the unfunded  
25 prior service liability for the categories of employees of each employer determined

1 under s. 40.05 (2) (b), 1981 stats., increased to reflect any creditable prior service  
2 granted on or after January 1, 1986, increased to reflect the effect of 1983 Wisconsin  
3 Act 141, increased at the end of each calendar year after January 1, 1986, by interest  
4 at the assumed rate on the unpaid balance at the end of the year and adjusted under  
5 pars. (bu), (bv) ~~and~~, (bw), and (bx).

6 **SECTION 5j.** 40.05 (2) (bx) of the statutes is created to read:

7 40.05 **(2)** (bx) The employer contribution rate determined under par. (b) for  
8 participating employees who served in the federal public health service or national  
9 oceanic and atmospheric administration shall be adjusted to reflect the cost of  
10 granting creditable service for those participating employees under s. 40.02 (15) and  
11 that rate shall be sufficient to amortize the unfunded prior service liability of the  
12 employers over the remainder of the 40-year amortization period under par. (b).

13 **SECTION 5L.** 40.25 (7) (a) (intro.) of the statutes is amended to read:

14 40.25 **(7)** (a) (intro.) Each participating employee whose creditable service  
15 terminates on or after May 1, 1992, and who has performed service, other than  
16 military, federal public health, or national oceanic and atmospheric administration  
17 service, as an employee of the federal government or a state or local governmental  
18 entity in the United States, other than a participating employer, that is located  
19 within or outside of this state, or each participating employee whose creditable  
20 service terminates on or after May 4, 1994, and who has performed service as an  
21 employee for an employer who was not at the time a participating employer but who  
22 subsequently became a participating employer, may receive creditable service for  
23 such service if all of the following conditions are met:

24 **SECTION 5n.** 40.25 (7) (b) of the statutes is amended to read:

1           40.25 (7) (b) Creditable service granted under par. (a) shall be calculated in an  
2 amount equal to the year and fractions of a year to the nearest one–hundredth of a  
3 year for service other than military, federal public health, or national oceanic and  
4 atmospheric administration service performed for the governmental entity, as  
5 determined by evidence of such service furnished under par. (a) 4. Creditable service  
6 granted under par. (a) shall be the same type of creditable service as the type that  
7 is granted to participants who are not executive participating employees, elected  
8 officials or protective occupation participants. A participating employee may apply  
9 to receive part or all of the creditable service that he or she is eligible to receive under  
10 par. (a).

11           **SECTION 5p.** 40.30 (3) of the statutes is amended to read:

12           40.30 (3) The sum of all service credited to the individual under each  
13 retirement system specified in sub. (2) shall be used in determining whether the  
14 individual has met any vesting period required for retirement benefit eligibility  
15 during any subsequent employment covered by any retirement system specified in  
16 sub. (2), but shall not be used in determining the amount of the benefit nor in  
17 determining credit for military, federal public health, or national oceanic and  
18 atmospheric administration service.

19           **SECTION 5r.** 40.71 (1) (c) of the statutes is amended to read:

20           40.71 (1) (c) If the death of a participating employee on leave of absence, other  
21 than a leave for purposes of military, federal public health, or national oceanic and  
22 atmospheric administration service, arises from employment by any employer other  
23 than a participating employer, employment is deemed to have terminated and the  
24 participant shall not be considered a participating employee on the date of his or her  
25 death.”.

