

## 2001 ASSEMBLY BILL 913

March 14, 2002 – Introduced by Representative STONE. Referred to Joint Committee on Retirement Systems.

1     **AN ACT to create** 40.02 (17) (gr), 40.02 (17) (gv), 40.05 (2) (bx), 40.05 (2) (by), 40.21  
2           (4e) and 40.21 (4r) of the statutes; and **to affect** Laws of 1937, chapter 201,  
3           section 1 (4), Laws of 1937, chapter 201, section 24, Laws of 1937, chapter 396,  
4           section 1 (4) (e) 2. and Laws of 1937, chapter 396, section 15m; **relating to:**  
5           providing coverage under the Wisconsin retirement system for certain city and  
6           county elected officials.

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### ***Analysis by the Legislative Reference Bureau***

Under current law, Milwaukee County and the city of Milwaukee each operate their own retirement system, providing retirement benefits to individuals employed by the county or city. This bill provides that elected officials of Milwaukee County and the city of Milwaukee may not be covered under the county's or city's retirement system for service rendered during any term in office that begins after the effective date of the bill. Instead, the bill requires that these elected officials must be covered under the Wisconsin retirement system (WRS). The bill also provides that any county or city elected official who becomes covered under WRS and who had prior service under the county or city retirement system, but who had not vested in the retirement benefits offered under either retirement system, shall receive creditable service under WRS for all such unvested service. If the county or city does not pay the cost of granting the creditable service at the time that the individuals are granted WRS creditable service, the bill provides that the county and city shall incur an unfunded prior service liability for the cost of the creditable service.

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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.

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

1           **SECTION 1.** 40.02 (17) (gr) of the statutes is created to read:

2           40.02 (17) (gr) Any elected official in a county having a population of 500,000  
3 or more who did not have vested benefit rights under the retirement system  
4 established under chapter 201, laws of 1937, and who became a participating  
5 employee after the effective date of this paragraph .... [revisor inserts date], shall  
6 receive creditable service for the total period of his or her prior service under the  
7 retirement system established under chapter 201, laws of 1937.

8           **SECTION 2.** 40.02 (17) (gv) of the statutes is created to read:

9           40.02 (17) (gv) Any elected official in a 1st class city who did not have vested  
10 benefit rights under the retirement system established under chapter 396, laws of  
11 1937, and who became a participating employee after the effective date of this  
12 paragraph .... [revisor inserts date], shall receive creditable service for the total  
13 period of his or her prior service under the retirement system established under  
14 chapter 396, laws of 1937.

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

16           40.05 (2) (bx) The employer contribution rate determined under par. (b) for a  
17 county having a population of 500,000 or more that is covered by a retirement system  
18 established under chapter 201, laws of 1937, shall be adjusted to reflect the cost of  
19 granting creditable service under s. 40.02 (17) (gr) and that rate shall be sufficient

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1 to amortize the unfunded prior service liability of the county over the applicable  
2 amortization period under par. (b).

3 **SECTION 4.** 40.05 (2) (by) of the statutes is created to read:

4 40.05 (2) (by) The employer contribution rate determined under par. (b) for a  
5 1st class city covered by a retirement system established under chapter 396, laws of  
6 1937, shall be adjusted to reflect the cost of granting creditable service under s. 40.02  
7 (17) (gv) and that rate shall be sufficient to amortize the unfunded prior service  
8 liability of the city over the applicable amortization period under par. (b).

9 **SECTION 5.** 40.21 (4e) of the statutes is created to read:

10 40.21 (4e) A county having a population of 500,000 or more that is covered by  
11 a retirement system established under chapter 201, laws of 1937, is a participating  
12 employer with respect to any elected official of that county.

13 **SECTION 6.** 40.21 (4r) of the statutes is created to read:

14 40.21 (4r) A 1st class city covered by a retirement system established under  
15 chapter 396, laws of 1937, is a participating employer with respect to any elected  
16 official of that city.

17 **SECTION 7.** Laws of 1937, chapter 201, section 1 (4), as last affected by chapter  
18 357, laws of 1947, is amended to read:

19 [Laws of 1937, chapter 201] Section 1 (4) “Employee” shall mean any person  
20 regularly employed by the county at an annual wage or salary payable at stated  
21 intervals, including any person who is employed by the state but who receives part  
22 of his wage or salary from the county, but not including any person in the county  
23 service elected by the vote of the people for service rendered during a term of office  
24 that begins after the effective date of 2001 Wisconsin Act .... (this act). In the event

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1 of a question arising as to the right of any person in the service of the county to be  
2 classified as an employee under this act, the decision of the board shall be final.

3 **SECTION 8.** Laws of 1937, chapter 201, section 24 is created to read:

4 [Laws of 1937, chapter 201] Section 24 Notwithstanding 3 (1) (a), a person in  
5 the county service elected by vote of the people may not be eligible for membership  
6 for any service rendered during a term of office that begins after the effective date  
7 of 2001 Wisconsin Act .... (this act).

8 **SECTION 9.** Laws of 1937, chapter 396, section 1 (4) (e) 2., as last affected by  
9 chapter 441, laws of 1947, is amended to read:

10 [Laws of 1937, chapter 396] Section 1 (4) (e) 2 Who are elected to office by vote  
11 of the people unless such elected person shall request the board in writing to be  
12 included within the provisions of this fund, but only for service rendered during a  
13 term of office that began before the effective date of 2001 Wisconsin Act .... (this act).

14 **SECTION 10.** Laws of 1937, chapter 396, section 15m is created to read:

15 [Laws of 1937, chapter 396] Section 15m A person elected to office by vote of  
16 the people may not be eligible for membership for any service rendered during a term  
17 of office that begins after the effective date of 2001 Wisconsin Act .... (this act).

18 **SECTION 11. Initial applicability.**

19 (1) COUNTY ELECTED OFFICIALS. The treatment of section 40.21 (4e) of the  
20 statutes first applies to coverage for elected officials of a county for service rendered  
21 during a term of office that begins after the effective date of this subsection.

22 (2) CITY ELECTED OFFICIALS. The treatment of section 40.21 (4r) of the statutes  
23 first applies to coverage for elected officials of a city for service rendered during a  
24 term of office that begins after the effective date of this subsection.

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(END)