2001 ASSEMBLY BILL 378

May 8, 2001 – Introduced by Representatives DUFF and URBAN, cosponsored by Senator FARROW. Referred to Joint survey committee on Retirement Systems.

AN ACT to create 20.515 (1) (bm) of the statutes; relating to: death benefits provided under the Wisconsin retirement system and making an appropriation.

Analysis by the Legislative Reference Bureau

Under current law, as the result of the enactment of 1999 Wisconsin Acts 11 and 12, a beneficiary of a participating employee in the Wisconsin retirement system (WRS) may receive a death benefit equal to the sum of the additional and twice the employee required contribution accumulations credited to the participant’s account. Before the enactment of 1999 Wisconsin Acts 11 and 12, however, the value of the death benefit was the sum of the additional and the employee required contribution accumulations, not twice the employee required contribution accumulations.

This bill provides that any WRS participant who at the time of death was a participating employee, who died between January 1, 1999, and July 31, 1999, who, prior to death, had not attained the age of 55 years, or age 50 if the participant was a protective occupation participant, may have his or her death benefit retroactively increased by an amount equal to the participant’s employee required contribution accumulations that were credited to the participant’s account on the beneficiary annuity effective date, or in the case of a lump sum payment, on the first day of the month in which the department of employee trust funds (DETF) approved the payment of the death benefit.

In order to qualify for the increased death benefit, the beneficiary to whom the death benefit was payable must either have been a dependent of the participant or a trust in which a dependent had a beneficial interest. In addition, the beneficiary must submit an application to DETF, on a form provided by DETF, before the first
day of the sixth month beginning after the effective date of the bill. Finally, the participant must have been a state employee and had at least 30 years of continuous state employment on his or her date of death.

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 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. 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 2001 Wisconsin Act .... (this act), section 2 (1) to (4).

SECTION 2. Nonstatutory provisions.

(1) In this Section:

(a) “Beneficiary” has the meaning specified in section 40.02 (8) of the statutes.

(b) “Beneficiary annuity” has the meaning specified in section 40.02 (9) of the statutes.

(c) “Creditable service” has the meaning specified in section 40.02 (17) of the statutes.

(d) “Department” has the meaning specified in section 40.02 (19) of the statutes.

(e) “Dependent” has the meaning specified in section 40.02 (20) of the statutes.

(f) “Employee required contribution” has the meaning specified in section 40.02 (27) of the statutes.

(g) “Participant” has the meaning specified in section 40.02 (45) of the statutes.
(h) “Participating employee” has the meaning specified in section 40.02 (46) of the statutes.

(i) “Protective occupation participant” has the meaning specified in section 40.02 (48) of the statutes.

(2) Notwithstanding section 40.73 (1) (a), 1997 stats., any participant who at the time of death was a participating employee, who died between January 1, 1999, and July 31, 1999, who, prior to death, met all of the requirements under section 40.23 (1), 1997 stats., except termination of employment and the filing of an application and who was not eligible for the death benefit provided under section 40.73 (1) (c), 1997 stats., because he or she had not attained the age of 55 years, or age 50 if the participant was a protective occupation participant, shall have his or her death benefit retroactively increased by an amount equal to the participant’s employee required contribution accumulations that were credited to the participant’s account on the beneficiary annuity effective date, or in the case of a lump sum payment, on the first day of the month in which the department approved the payment of the death benefit.

(3) An increased death benefit may be provided under this Section only if all of the following conditions are satisfied:

(a) The beneficiary to whom the death benefit was payable must either have been a dependent of the participant or a trust in which a dependent had a beneficial interest.

(b) The beneficiary submits an application to the department, on a form provided by the department, before the first day of the 6th month beginning after the effective date of this paragraph.
(c) The participant was not covered under section 40.73 (1) (a) 1. or 2., 1997 stats.

(d) The participant was a state employee and had at least 30 years of continuous state employment on the date of his or her death.

(4) Any death benefit provided under this SECTION shall be paid in 10 annual installments and shall not accrue interest during any period in which the benefit is awaiting payment.

(END)