

2003 DRAFTING REQUEST

Bill

Received: 11/07/2003

Received By: rchampag

Wanted: As time permits

Identical to LRB:

For: Fred Risser (608) 266-1627

By/Representing: Leslie

This file may be shown to any legislator: NO

Drafter: rchampag

May Contact:

Addl. Drafters:

Subject: Employ Pub - retirement

Extra Copies:

Submit via email: YES

Requester's email: Sen.Risser@legis.state.wi.us

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Retirement benefits provided to educational support personnel 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>
/?	rchampag 11/07/2003	kfollett 12/04/2003		_____			S&L Retire
/1			rschluet 12/04/2003	_____	Inorthro 12/04/2003	sbasford 12/08/2003 sbasford 12/08/2003	

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

FE Sent For:

at intro
1/14/04

<END>

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/?	rchampag	11/14/03 12/4/03					
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Handwritten marks: 12, 4, 3, and <END>

FE Sent For:

Champagne, Rick

From: Miller, Steve
Sent: Friday, November 07, 2003 12:07 PM
To: Champagne, Rick
Subject: FW: redraft of 2001 Senate Bill 403 re: retirement credits

Rick,
Would this be yours?
Steve

-----Original Message-----

From: Travis, Leslie
Sent: Friday, November 07, 2003 11:40 AM
To: Miller, Steve
Subject: redraft of 2001 Senate Bill 403 re: retirement credits

Hi Steve,

Would you please assign an attorney to draft a new 2003 copy of Senate Bill 403 from last session. It relates to retirement issues. Thanks again, Leslie



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-3651/1

RAC:jld:pg

Mon 1/28

2003

~~2001~~ SENATE BILL 408

LRB-3677/1

RAC:kg

UPS:
PWF
please

January 29, 2002 - Introduced by Senators RISSER, BURKE, WIRCH, BAUMGART and GEORGE, cosponsored by Representatives BIES, SHERMAN, J. LEHMAN POGAN, MUSSER, RYBA, PLOUFF, GRONEMUS, WILLIAMS, BLACK, LASSA, TURNER and LIPPERT. Referred to Joint Committee on Retirement Systems.

-regen. cat.

1 AN ACT to amend 40.02 (17) (intro.), 40.22 (2) (a), 40.22 (2m) (intro.), 40.22 (2m)
2 (a), 40.22 (3) (b) and 40.23 (2m) (fm); and to create 40.02 (33) (d) of the statutes;
3 relating to: retirement benefits provided to educational support personnel
4 under the Wisconsin retirement system.

Analysis by the Legislative Reference Bureau

This bill increases Wisconsin retirement system (WRS) benefits provided to an "educational support personnel employee" who is defined under current law as any school district employee other than a teacher, librarian, or administrator. The bill makes the following changes to the WRS:

1. Under current law, to become covered under the WRS, an individual must work for a covered employer at least one-third of what is considered full-time employment, as determined by the department of employee trust funds (DETF) by rule. For all WRS participants, other than teachers, librarians, and administrators, DETF defines full-time employment to be 1,904 hours per year and one-third employment to be 600 hours per year. In contrast, for teachers, librarians, and administrators, DETF defines full-time employment to be 1,320 hours per year and one-third employment to be 440 hours per year. This bill requires that educational support personnel employees and teachers, librarians, and administrators must be treated the same in terms of qualifying for coverage under the WRS, with full-time employment for educational support personnel employees set at 1,320 hours per year.

SENATE BILL 403

2. Under current law, the initial amount of a WRS annuity is calculated according to one of two methods. One method consists in determining the initial annuity amount based on the sum of a participant's accumulated additional and employee required contributions plus an amount equal to the participant's accumulated employee required contributions. The other method is to use a retirement formula the variables of which are a participant's years of service, formula multiplier, and final average earnings. The initial annuity amount that a WRS participant may receive is the higher amount, as determined under the two methods.

This bill provides that the final average earnings of an educational support personnel employee are increased by 25^{percent} for the purpose of determining the initial amount of a WRS retirement annuity under the second method.

3. Under current law, for early retirement purposes under the WRS, a participant, other than a teacher, librarian, or administrator, with at least 0.75 of a year of creditable service in any annual earnings period must be treated as having one year of creditable service for that annual earnings period. To be eligible for the treatment, the participant must have earned only a partial year of creditable service in at least five of the ten annual earnings periods immediately preceding the annual earnings period in which the participant terminated covered employment. This bill reduces the amount that is required for the purpose of calculating what constitutes a year of creditable service from 0.75 to 0.65 of a year of creditable service. The result is that WRS participants need have worked fewer hours in a year in order to qualify for this treatment for early retirement purposes.

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:

~~SECTION 1. 40.02 (17) (intro.) of the statutes is amended to read:
40.02 (17) (intro.) "Creditable service" means the creditable current and prior service, expressed in years and fractions of a year to the nearest one-hundredth, for which a participating employee receives or is considered to receive earnings under sub. (22) (e) or (em) and for which contributions have been made as required by s. 40.05 (1) and (2) and creditable military service, service credited under s. 40.25 (7) and service credited under s. 40.29, expressed in years and fractions of years to the~~

SENATE BILL 403

1 nearest one-hundredth. How much service in any annual earnings period is the
 2 full-time equivalent of one year of creditable service shall be determined by rule by
 3 the department and the rules may provide for differing equivalents for different
 4 types of employment, except that the full-time equivalent of one year of creditable
 5 service for an educational support personnel employee is 1,320 hours. Except as
 6 provided under pars. (i) and (k), the amount of creditable service for periods prior to
 7 January 1, 1982, shall be the amount for which the participant was eligible under
 8 the applicable laws and rules in effect prior to January 1, 1982. No more than one
 9 year of creditable service shall be granted for any annual earnings period. Creditable
 10 service is determined in the following manner for the following persons:

11 **SECTION 2** 40.02 (33) (d) of the statutes is created to read:

12 40.02 (33) (d) For an educational support personnel employee, the amount
 13 calculated under par. (a) multiplied by 1.25.

14 **SECTION 3** 40.22 (2) (a) of the statutes is amended to read:

15 40.22 (2) (a) Except as provided in sub. (2m), the employee is not expected to
 16 work at least one-third of what is considered full-time employment by the
 17 department, as determined by rule, or, for an educational support personnel
 18 employee, as specified under s. 40.02 (17) (intro.).

19 **SECTION 4** 40.22 (2m) (intro.) of the statutes is amended to read:

20 40.22 (2m) (intro.) An employee who is not expected to work at least one-third
 21 of what is considered full-time employment by the department, as determined by
 22 rule, or, for an educational support personnel employee, as specified under s. 40.02
 23 (17) (intro.), and who is not otherwise excluded under sub. (2) from becoming a
 24 participating employee shall become a participating employee if he or she is

Insert
3-11

SENATE BILL 403

1 subsequently employed by the state agency or other participating employer for either
2 of the following periods:

3 ~~SECTION 5.~~ 40.22 (2m) (a) of the statutes is amended to read:

4 40.22 (2m) (a) At least one year for at least one-third of what is considered
5 full-time employment by the department, as determined by rule, or, for an
6 educational support personnel employee, as specified under s. 40.02 (17) (intro.).

7 ~~SECTION 6.~~ 40.22 (3) (b) of the statutes is amended to read:

8 40.22 (3) (b) The first day after completion of one year of employment for at
9 least one-third of what is considered full-time employment by the department, as
10 determined by rule, or, for an educational support personnel employee, as specified
11 under s. 40.02 (17) (intro.), if the person becomes a participating employee under sub.
12 (2m) after the employer's effective date of participation.

13 ~~SECTION 7.~~ 40.23 (2m) (fm) of the statutes is amended to read:

14 40.23 (2m) (fm) Notwithstanding s. 40.02 (17) (intro.), for purposes of
15 determining creditable service under par. (f) 2., participants with at least 0.75 0.65
16 of a year of creditable service in any annual earnings period shall be treated as
17 having one year of creditable service for that annual earnings period. To be eligible
18 for the treatment provided by this paragraph, the participant must have earned only
19 a partial year of creditable service in at least 5 of the 10 annual earnings periods
20 immediately preceding the annual earnings period in which the participant
21 terminated covered employment, and the participant must notify the department of
22 the applicability of this paragraph to the participant's service. The participant is not
23 eligible for the treatment provided by this paragraph if such notification is provided
24 by the participant later than 60 days after the participant's annuity effective date.

SENATE BILL 403

1 This paragraph does not apply to service credited under s. 40.02 (15) or to creditable
2 service as a teacher.

3 ~~SECTION 8.~~ **Initial applicability.**

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

7 (END)

X
X

3-11

, as affected by 2003 Wisconsin Act 33,

Section #. 40.02 (17) (intro.) of the statutes is amended to read:

40.02 (17) (intro.) "Creditable service" means the creditable current and prior service, expressed in years and fractions of a year to the nearest one-hundredth, for which a participating employee receives or is considered to receive earnings under sub. (22) (e) or (em) and for which contributions have been made as required by s. 40.05 (1) and (2) and creditable military service, service credited under s. 40.285 (2) (b) and service credited under s. 40.29, expressed in years and fractions of years to the nearest one-hundredth. How much service in any annual earnings period is the full-time equivalent of one year of creditable service shall be determined by rule by the department and the rules may provide for differing equivalents for different types of employment. Except as provided under s. 40.285 (2) (e) and (f), the amount of creditable service for periods prior to January 1, 1982, shall be the amount for which the participant was eligible under the applicable laws and rules in effect prior to January 1, 1982. No more than one year of creditable service shall be granted for any annual earnings period. Creditable service is determined in the following manner for the following persons:

History: 1981 c. 96, 187, 250, 274, 386; 1983 a. 9, 27; 1983 a. 81 s. 11; 1983 a. 83 s. 20; 1983 a. 106, 140; 1983 a. 141 ss. 1 to 3, 20; 1983 a. 191 ss. 1, 6; 1983 a. 192 s. 304; 1983 a. 255 s. 6; 1983 a. 275, 290, 368; 1983 a. 435 s. 7; 1985 a. 29, 225; 1985 a. 332 ss. 52, 251 (1); 1987 a. 27, 62, 83, 107, 309, 340, 356, 363, 372, 399; 1987 a. 403 ss. 43 to 45, 256; 1989 a. 13, 14, 31; 1989 a. 56 s. 259; 1989 a. 166, 182, 189, 218, 230, 240, 323, 327, 336, 355, 357, 359; 1991 a. 32, 39, 113, 152, 229, 269, 315; 1993 a. 16, 263, 383, 490, 491; 1995 a. 27, ss. 1946 to 1953, 9130 (4); 1995 a. 81, 88, 89, 216, 240, 302, 381, 417; 1997 a. 3, 27, 39, 69, 110, 162, 237, 238; 1999 a. 9, 11, 42, 63, 65, 83; 2001 a. 16, 38, 103, 104, 109; 2003 a. 33.

, except that the fulltime equivalent of one year of creditable service for an educational support personnel employee is 1,320 hours

please jacket
for Sen. Rissler