



## 2005 ASSEMBLY BILL 361

April 22, 2005 – Introduced by Representatives HAHN, HINES, AINSWORTH, VAN ROY, F. LASEE, NISCHKE and BALLWEG, cosponsored by Senators A. LASEE and REYNOLDS. Referred to Joint Survey Committee on Retirement Systems.

1     **AN ACT** *to repeal* 40.23 (2m) (f), 40.23 (2m) (fm) and 40.23 (2m) (g); *to amend*  
2             40.23 (1) (a) (intro.), 40.23 (1) (am) 2., 40.23 (1) (bm), 40.23 (2m) (b), 40.24 (1)  
3             (f), 40.25 (2), 40.63 (7) and 40.63 (8) (b); and *to create* 111.91 (2) (mo) of the  
4             statutes; **relating to:** minimum age for qualifying for a retirement annuity  
5             under the Wisconsin Retirement System.

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

Current law permits individuals in the Wisconsin Retirement System (WRS) to qualify for a retirement annuity beginning at age 55 if they are not protective occupation participants. (Protective occupation participants may qualify for such an annuity beginning at age 50.) This bill provides that WRS participants, other than protective occupation participants, who terminate covered employment after the bill's effective date must have reached the age of 59.5 to qualify for a retirement annuity under the WRS.

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:***

**ASSEMBLY BILL 361****SECTION 1**

1           **SECTION 1.** 40.23 (1) (a) (intro.) of the statutes is amended to read:

2           40.23 (1) (a) (intro.) Except as provided in par. (am), any participant who has  
3 attained age ~~55~~ 59.5, and any protective occupation participant who has attained age  
4 50, on or before the annuity effective date shall be entitled to a retirement annuity  
5 in accordance with the actuarial tables in effect on the effective date of the annuity  
6 if the participant submits an application for a retirement annuity on a form  
7 furnished by the department and all of the following apply:

8           **SECTION 2.** 40.23 (1) (am) 2. of the statutes is amended to read:

9           40.23 (1) (am) 2. Any participant who has attained age ~~55~~ 59.5 and who is a  
10 participant because of employment other than part-time service as an elected official  
11 and who is also a participating employee because of part-time service as an elected  
12 official may, after termination of all covered employment other than service as a  
13 part-time elected official, waive further participation under the fund for his or her  
14 current, and any future, part-time service as an elected official. Any election under  
15 this paragraph is irrevocable and is effective beginning the day after the date of  
16 election. Notwithstanding par. (a), any participant who elects under this paragraph  
17 may receive a retirement annuity for all service under the fund credited to the  
18 participant to the date he or she elects. The date a participant elects under this  
19 paragraph is deemed to be the date of separation from the last participating  
20 employer by which that participant was employed.

21           **SECTION 3.** 40.23 (1) (bm) of the statutes is amended to read:

22           40.23 (1) (bm) If an application by a participant age ~~55~~ 59.5 or over, or by a  
23 protective occupation participant age 50 or over, for long-term disability insurance  
24 benefits is disapproved under rules promulgated by the department, the date which  
25 would have been the effective date for the insurance benefits shall be the retirement

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1 annuity effective date if requested by the applicant within 60 days of the disapproval  
2 or, if the disapproval is appealed, within 60 days of the final disposition of the appeal.

3 **SECTION 4.** 40.23 (2m) (b) of the statutes is amended to read:

4 40.23 **(2m)** (b) Except as provided in s. 40.26, subject to the limitations under  
5 section 415 of the Internal Revenue Code, the initial amount of the normal form  
6 annuity shall be an amount equal to 70%, or 65% for participants whose formula rate  
7 is determined under par. (e) 3. or 85% for participants whose formula rate is  
8 determined under par. (e) 4., of the participant's final average earnings plus the  
9 amount which can be provided under pars. (c) and (d) or, if less, shall be in the  
10 monthly amount equal to the sum of the amounts determined under pars. (c), (d) and  
11 (e) ~~as modified by par. (f) and~~ in accordance with the actuarial tables in effect on the  
12 annuity effective date. If the participant has creditable service under both par. (e)  
13 4. and another category under par. (e), the percent applied under this paragraph  
14 shall be determined by multiplying the percent that each type of creditable service  
15 is of the participant's total creditable service by 85% and 65% or 70%, respectively,  
16 and adding the results, except that the resulting benefit may not be less than the  
17 amount of the normal form annuity that could be paid based solely on the creditable  
18 service under par. (e) 4.

19 **SECTION 5.** 40.23 (2m) (f) of the statutes is repealed.

20 **SECTION 6.** 40.23 (2m) (fm) of the statutes is repealed.

21 **SECTION 7.** 40.23 (2m) (g) of the statutes is repealed.

22 **SECTION 8.** 40.24 (1) (f) of the statutes is amended to read:

23 40.24 **(1)** (f) From accumulated additional contributions made under s. 40.05  
24 (1) (a) 5. only, an annuity certain payable for and terminating after the number of  
25 months specified by the applicant, regardless of whether the applicant dies before or

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1 after the number of months specified, provided that the monthly amount of the  
2 annuity certain is at least equal to the minimum amount established under s. 40.25  
3 (1) (a). Subject to the period of distribution required under s. 40.23 (4) (b) 2., the  
4 number of months specified shall not exceed 180 and shall not be less than 24. If the  
5 death of the annuitant occurs prior to the expiration of the certain period, the  
6 remaining payments shall be made in accordance with s. 40.73 (2) without regard to  
7 any other annuity payments payable to the beneficiary. An annuity under this  
8 paragraph may be initiated prior to any other annuity amount provided under this  
9 subchapter and prior to age ~~55~~ 59.5 if all other qualifications for receiving an annuity  
10 payment are met.

11 **SECTION 9.** 40.25 (2) of the statutes is amended to read:

12 40.25 (2) Subject to sub. (2t), if all requirements for payment of a retirement  
13 annuity are met except attainment of age ~~55~~ 59.5 or age 50 for protective occupation  
14 participants, a separation benefit may be paid, if the participant's written  
15 application for a separation benefit is received by the department prior to the  
16 ~~participant's 55th birthday~~ the day on which the participant turns age 59.5 or the  
17 participant's 50th birthday for protective occupation participants, in an amount  
18 equal to the additional and employee required contribution accumulations of the  
19 participant on the date the application for a separation benefit is approved.

20 **SECTION 10.** 40.63 (7) of the statutes is amended to read:

21 40.63 (7) If an application, by a participant age ~~55~~ 59.5 or over, or by a  
22 protective occupation participant age 50 or over, for any disability annuity is  
23 disapproved, the date which would have been the disability annuity effective date  
24 shall be the retirement annuity effective date if so requested by the applicant within

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1 60 days of the disapproval or, if the disapproval is appealed, within 60 days of final  
2 disposition of the appeal.

3 **SECTION 11.** 40.63 (8) (b) of the statutes is amended to read:

4 40.63 (8) (b) For purposes of s. 40.23 (2m) (e) and ~~(f)~~ only, the participant is  
5 deemed to have attained the participant's normal retirement date on the effective  
6 date of the annuity.

7 **SECTION 12.** 111.91 (2) (mo) of the statutes is created to read:

8 111.91 (2) (mo) Minimum age under s. 40.23 (1) at which an individual is  
9 entitled to a retirement annuity under the Wisconsin retirement system.

10 **SECTION 13. Initial applicability.**

11 (1) This act first applies to participants in the Wisconsin retirement system who  
12 terminate covered employment on the effective date of this subsection.

13

(END)