



2005 SENATE BILL 491

December 27, 2005 - Introduced by LAW REVISION COMMITTEE. Referred to Joint Survey Committee on Retirement Systems.

1 **AN ACT to renumber and amend** 40.73 (1) (am); **to amend** 40.23 (3) and 40.285
2 (4) (d); and **to create** 40.73 (1) (am) 1., 40.73 (1) (am) 2. and 40.73 (1) (am) 3.
3 of the statutes; **relating to:** calculation of death benefits and the amount of a
4 money purchase annuity under the Wisconsin Retirement System (suggested
5 as remedial legislation by the Department of Employee Trust Funds).

Analysis by the Legislative Reference Bureau

Current law, under the Wisconsin Retirement System (WRS), permits participants to purchase other governmental service for receiving creditable service under the WRS. This bill provides that, for purposes of receiving a WRS death benefit, the employer is not required to match any other governmental service purchased by a participant.

For further information, see the NOTES provided by the Law Revision Committee of the Joint Legislative Council.

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.

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

LAW REVISION COMMITTEE PREFATORY NOTE: This bill is a remedial legislation proposal, requested by the Department of Employee Trust Funds and introduced by the

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Law Revision Committee under s. 13.83 (1) (c) 4., stats. After careful consideration of the various provisions of the bill, the Law Revision Committee has determined that this bill makes minor substantive changes in the statutes, and that these changes are desirable as a matter of public policy.

According to the Department of Employee Trust Funds, the provisions of this bill reflect current practice and serve to conform the provisions for calculating WRS annuity and death benefits to the historical prohibition on using employer contributions to match any other governmental service purchased by a participant.

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

2 40.23 (3) The initial monthly amount of any retirement annuity in the normal
3 form shall not be less than the money purchase annuity which can be provided by
4 applying the sum of the participant's accumulated additional and required
5 contributions, including interest credited to the accumulations, plus an amount from
6 the employer accumulation reserve equal to the participant's accumulated required
7 contributions, less any accumulated contributions to purchase other governmental
8 service under s. 40.285 (2) (b) or 40.25 (7), 2001 stats., to fund the annuity in
9 accordance with the actuarial tables in effect on the annuity effective date.

10 **SECTION 2.** 40.285 (4) (d) of the statutes is amended to read:

11 40.285 (4) (d) *Treatment of amounts to purchase creditable service.* All amounts
12 retained by the department for the purchase of creditable service under sub. (2) shall
13 be credited and treated as employee required contributions for all purposes of the
14 Wisconsin retirement system Retirement System, except that amounts received for
15 the purchase of creditable service under sub. (2) (b) may not be used for the purpose
16 of making calculations under s. as provided in ss. 40.23 (3) or and 40.73 (1) (am).

17 **SECTION 3.** 40.73 (1) (am) of the statutes is renumbered 40.73 (1) (am) (intro.)
18 and amended to read:

19 40.73 (1) (am) (intro.) Upon the death of a participating employee, except as
20 otherwise provided by par. (c), the sum of the ~~additional contribution and twice the~~

