

State of Wisconsin  
2007 - 2008 LEGISLATURE

LRB-0636/1  
RAC:kjf:jf

2007 BILL

Drafting File  
For LRB-3211  
cont.

1 AN ACT *to renumber and amend* 40.02 (15) (a), 40.02 (15) (b) and 40.02 (15) (c);  
2 *to amend* 40.02 (17) (intro.), 40.02 (48m) (f), 40.05 (2) (bv), 40.23 (2m) (em) 1.  
3 c. and 40.23 (2m) (fm); and *to create* 40.02 (53m), 40.02 (55r), 40.287 (title),  
4 40.287 (1) (title), 40.287 (1) (a) 8. and 40.287 (2) of the statutes; **relating to:**  
5 creditable military service under the Wisconsin Retirement System.

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

Currently, the federal Uniformed Services Employment and Reemployment Rights Act (USERRA) requires that, for pension plan purposes, returning uniformed services members, upon reemployment by their former employer, must be treated as if they had been continuously employed by their employer during their period in the uniformed services. Federal law defines the "uniformed services" to mean "the Armed Forces, the Army National Guard and the Air National Guard when engaged in active duty for training, inactive duty training, or full-time National Guard duty, the commissioned corps of the Public Health Service, and any other category of persons designed by the president in time of war or national emergency." This bill conforms the Wisconsin Retirement System (WRS) to USERRA, permitting returning uniformed services members to receive WRS creditable service for their uniformed service.

Because this bill relates to public employee retirement or pensions, it may be referred to the Joint Survey Committee on Retirement Systems for a report to be printed as an appendix to the bill.

**BILL**

For further information see the *state* 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 (15) (a) of the statutes is renumbered 40.287 (1) (a), and  
2           40.287 (1) (a) (intro.), as renumbered, is amended to read:

3           40.287 (1) (a) Criteria. “~~Creditable military service~~” means A participant who  
4           returns to participating employment after a period of active service in the U.S. armed  
5           forces shall be granted creditable service in the Wisconsin Retirement System, based  
6           on the total period of service in the U.S. armed forces, provided:

7           **SECTION 2.** 40.02 (15) (b) of the statutes is renumbered 40.287 (1) (b) and  
8           amended to read:

9           40.287 (1) (b) Constructive category of employment. The creditable military  
10          service under par. (a) shall be the same type, as set forth in s. 40.23 (2m) (e), as the  
11          participant was receiving prior to entry into the U.S. armed forces.

12          **SECTION 3.** 40.02 (15) (c) of the statutes is renumbered 40.287 (3), and 40.287  
13          (3) (intro.), (a), (b), (c) and (d), as renumbered, are amended to read:

14          40.287 (3) PRORATED CREDIT FOR CERTAIN OTHER MILITARY SERVICE. (intro.)  
15          Notwithstanding ~~sub. (17) (intro.)~~ subs. (1) and (2) and any other law, any person who  
16          is credited with 5, 10, 15, or 20 or more years of creditable service, not counting any  
17          previously granted creditable military service, may receive creditable military  
18          service at the time of retirement for not more than 1, 2, 3, or 4 years, respectively, of  
19          active service which that meets the standards standard under par. sub. (1) (a) 5.,  
20          provided:

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1 (a) This ~~paragraph~~ subsection applies only to active military service served  
2 prior to January 1, 1974.

3 (b) Any creditable military service otherwise granted shall be included in  
4 determining the maximum years to be granted under this ~~paragraph~~ subsection.

5 (c) Creditable military service under this ~~paragraph~~ subsection shall be  
6 allocated at the time of retirement in proportion to the amount of the participant's  
7 creditable service for each of the types of creditable service set forth in s. 40.23 (2m)  
8 (e) on the date the participant attains 5, 10, 15, or 20 years of creditable service.

9 (d) This ~~paragraph~~ subsection does not apply to any active service used for the  
10 purpose of establishing entitlement to, or the amount of, any benefit, other than a  
11 disability benefit, to be paid by any federal retirement program except OASDHI and  
12 the retired pay for nonregular military service program under 10 USC 1331 to 1337  
13 or, if the participant makes an election under s. 40.30 (2), by any retirement system  
14 specified in s. 40.30 (2) other than the Wisconsin ~~retirement system~~ Retirement  
15 System.

16 **SECTION 4.** 40.02 (17) (intro.) of the statutes is amended to read:

17 40.02 (17) (intro.) "Creditable service" means the creditable current and prior  
18 service, expressed in years and fractions of a year to the nearest one-hundredth, for  
19 which a participating employee receives or is considered to receive earnings under  
20 sub. (22) (e) or (em) and for which contributions have been made as required by s.  
21 40.05 (1) and (2) and creditable military service under s. 40.287, service credited  
22 under s. 40.285 (2) (b) and service credited under s. 40.29, expressed in years and  
23 fractions of years to the nearest one-hundredth. How much service in any annual  
24 earnings period is the full-time equivalent of one year of creditable service shall be  
25 determined by rule by the department and the rules may provide for differing

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1 equivalents for different types of employment. Except as provided under s. 40.285  
2 (2) (e) and (f), the amount of creditable service for periods prior to January 1, 1982,  
3 shall be the amount for which the participant was eligible under the applicable laws  
4 and rules in effect prior to January 1, 1982. No more than one year of creditable  
5 service shall be granted for any annual earnings period. Creditable service is  
6 determined in the following manner for the following persons:

7 **SECTION 5.** 40.02 (48m) (f) of the statutes is amended to read:

8 40.02 (48m) (f) The judgment, decree or order requires the participant to  
9 certify, in a form prescribed by the department, all of the participant's active military  
10 service, as described in ~~sub. (15)~~ s. 40.287 (1) (a).

11 **SECTION 6.** 40.02 (53m) of the statutes is created to read:

12 40.02 (53m) "Service in the uniformed services" has the meaning given in 38  
13 USC 4303 (13) and regulations adopted thereunder.

14 **SECTION 7.** 40.02 (55r) of the statutes is created to read:

15 40.02 (55r) "Uniformed services" has the meaning given in 38 USC 4303 (16)  
16 and regulations adopted thereunder.

17 **SECTION 8.** 40.05 (2) (bv) of the statutes is amended to read:

18 40.05 (2) (bv) The employer contribution rate determined under par. (b) for  
19 participating employees who served in the U.S. maritime service shall be adjusted  
20 to reflect the cost of granting creditable service under s. ~~40.02 (15)~~ 40.287 (1) (a) 7.  
21 and that rate shall be sufficient to amortize the unfunded prior service liability of the  
22 employers over the remainder of the 40-year amortization period under par. (b).

23 **SECTION 9.** 40.23 (2m) (em) 1. c. of the statutes is amended to read:

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1           40.23 (2m) (em) 1. c. Any creditable military service received under s. 40.02 (15)  
2           (e) 40.287 (3), which is based on creditable service performed before January 1, 2000,  
3           shall be considered to have been performed before January 1, 2000.

4           **SECTION 10.** 40.23 (2m) (fm) of the statutes is amended to read:

5           40.23 (2m) (fm) Notwithstanding s. 40.02 (17) (intro.), for purposes of  
6           determining creditable service under par. (f) 2., participants with at least 0.75 of a  
7           year of creditable service in any annual earnings period shall be treated as having  
8           one year of creditable service for that annual earnings period. To be eligible for the  
9           treatment provided by this paragraph, the participant must have earned only a  
10          partial year of creditable service in at least 5 of the 10 annual earnings periods  
11          immediately preceding the annual earnings period in which the participant  
12          terminated covered employment, and the participant must notify the department of  
13          the applicability of this paragraph to the participant's service. The participant is not  
14          eligible for the treatment provided by this paragraph if such notification is provided  
15          by the participant later than 60 days after the participant's annuity effective date.  
16          This paragraph does not apply to service credited under s. ~~40.02 (15)~~ 40.287 or to  
17          creditable service as a teacher.

18          **SECTION 11.** 40.287 (title) of the statutes is created to read:

19          **40.287 (title) Creditable military service.**

20          **SECTION 12.** 40.287 (1) (title) of the statutes is created to read:

21          40.287 (1) (title) CREDIT FOR MILITARY SERVICE WITHOUT CONTRIBUTIONS.

22          **SECTION 13.** 40.287 (1) (a) 8. of the statutes is created to read:

23          40.287 (1) (a) 8. This subsection does not apply if the person ceased to be a  
24          participant by taking a benefit under s. 40.25 (2) between the date the person left  
25          participating employment and returned to participating employment described in

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1 subds. 2. and 3. Failure to qualify for creditable military service under this  
2 subsection does not affect a person's eligibility under sub. (2).

3 **SECTION 14.** 40.287 (2) of the statutes is created to read:

4 40.287 (2) FEDERAL VETERANS REEMPLOYMENT PENSION RIGHTS. (a) *Employee*  
5 *election and effects.* An employee who returned to employment with a participating  
6 employer after service in the uniformed services and who, upon that reemployment,  
7 qualified for reemployment rights under 38 USC 4301, et seq., may elect to be treated  
8 for Wisconsin Retirement System purposes as if he or she had remained continuously  
9 employed by the participating employer throughout the period of service in the  
10 uniformed services. If the employee so elects, then all of the following apply:

11 1. 'Employer to report constructive earnings and hours of service.' For each  
12 annual earnings period and calendar year during the employee's service in the  
13 uniformed services, the employer shall determine the employee's hours of service  
14 and earnings during those periods as if the employee had been continuously  
15 employed and report those amounts to the department. The person's earnings shall  
16 be determined by reference to what the employee would have earned if he or she had  
17 been employed by the employer during the period of uniformed service, as specified  
18 in 38 USC 4318 (b) (3) and regulations adopted thereunder, and including all  
19 reasonably determinable pay increases that would have occurred.

20 2. 'Department to bill employer for contributions and interest.' Upon receipt  
21 of the report under subd. 1., the department shall bill the employer for all required  
22 contributions due, plus interest, in the same manner under s. 40.06 (5) as if the  
23 contributions were due for previously unreported earnings in each year of the  
24 person's service in the uniformed services. The billing shall state the amount of  
25 contributions the employee would ordinarily be required to pay. The employer shall

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1 pay the amount billed to the department within 30 days. The department may collect  
2 additional interest if there is a delay in payment.

3 3. 'Employer may collect required contributions from employee.' The employer  
4 may collect from the employee, and retain, the amount of the contributions the  
5 employee would have been required to pay if he had been continuously employed by  
6 the participating employer during the period of service in the uniformed services.  
7 The employer shall treat the employee as if he or she had been continuously  
8 employed and extend the benefit of any applicable agreement under which the  
9 employer would have paid all or part of the employee's required contributions during  
10 that period. The employee may not be required or permitted to pay any interest on  
11 the required contributions, in accordance with 29 CFR 1002.263.

12 4. 'Employee payments deadline.' The employee's payment of required  
13 contributions must be completed by the earliest of the following:

- 14 a. Before terminating employment with the post-uniformed service employer.  
15 b. The expiration of the time period starting with the date of reemployment and  
16 continuing for 3 times the length of the employee's immediate past period of service  
17 in the uniformed services.  
18 c. The date 5 years after the date of initial post-uniformed service  
19 reemployment.

20 5. 'Treatment of employee partial payment.' If the employee fails to pay all  
21 required contributions associated with the period of service in the uniformed service  
22 before leaving employment with the post-uniformed service employer or within the  
23 time period specified in subd. 4., the department may not accept any further  
24 payments and shall prorate the creditable service granted under this subsection.  
25 The employer is entitled to a credit for contributions and interest paid on the

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1 earnings for which the employee did not pay his or her required contributions. The  
2 department shall, by rule, provide how to attribute the contributions actually paid  
3 by the employee and how to calculate the credit due the employer.

4 6. 'Creditable service.' Upon receipt of the contributions due on earnings, the  
5 department shall grant the employee creditable service for any period of service in  
6 the uniformed services not already granted under sub. (1) based on the hours  
7 reported by the employer under subd. 1. In the event of a partial payment of  
8 contributions due from the employee, any creditable service granted under sub. (1)  
9 is not subject to proration.

10 (b) *Time period for making election.* For employees who return to employment  
11 with a participating employer after service in the uniformed services on or after the  
12 effective date of this paragraph .... [revisor inserts date], the election described in par.

13 (a) (intro.) may not be made after the time limit for paying required contributions  
14 specified in par. (a) 4. has expired.

15 (c) *When repayment of previous lump sum payment required.* If the employee  
16 took a lump sum benefit under s. 40.25 after leaving participating employment to  
17 begin service in the uniformed services and chooses to exercise any rights under sub.  
18 (1), the employee must repay to the department the lump sum benefit. The  
19 repayment due is the lesser of the following:

20 1. The amount of the lump sum payment plus interest at the effective rate of  
21 the core division, beginning with the rate for the year in which the payment was  
22 made.

23 2. The amount of the difference between the current balance of the employee's  
24 required contribution accumulations in the core and variable retirement investment



**BILL**

1 trusts and what that balance would have been if the funds had not been withdrawn,  
2 including the effects of any interest that would have accrued but for the withdrawal.

3 (END)



## 2007 BILL

1     **AN ACT to amend** 40.02 (15) (c) 3. of the statutes; **relating to:** calculation of  
2             creditable military service under the Wisconsin Retirement System.

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### *Analysis by the Legislative Reference Bureau*

Under the Wisconsin Retirement System (WRS), a participant who has military service before 1974 may receive up to one, two, three, or four years of military service credit under the WRS if the participant has at least five, ten, fifteen, or twenty years, respectively, of creditable service. This bill provides that the creditable military service is to be prorated in the time of retirement based on the participant's different types of creditable service under the WRS.

Because this bill relates to public employee retirement or pensions, it may be referred to the Joint Survey Committee on Retirement Systems for a report to be printed as an appendix to the bill.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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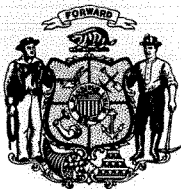
*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

3             **SECTION 1.** 40.02 (15) (c) 3. of the statutes is amended to read:  
4             40.02 (15) (c) 3. Creditable military service under this paragraph shall be  
5             allocated prorated at the time of retirement in proportion to the amount of the

**BILL**

1 participant's creditable service for each of the types of creditable service set forth in  
2 s. 40.23 (2m) (e) on the date the participant attains 5, 10, 15 or 20 years of creditable  
3 service.

4 (END)



State of Wisconsin  
2007 - 2008 LEGISLATURE

LRB-0648/1

RAC:wlj:jf

**2007 BILL**

1 **AN ACT relating to:** distribution of moneys to Wisconsin Retirement System  
2 employers under 1999 Wisconsin Act 11.

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*Analysis by the Legislative Reference Bureau*

1999 Wisconsin Act 11 requires the Employee Trust Funds Board to distribute \$200,000,000 to covered employers in the form of credit balances that could be used to offset employer contributions owed to the Wisconsin Retirement System. This bill requires that the board complete the distribution before January 1, 2008.

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:*

3 **SECTION 1. Nonstatutory provisions.**

4 (1) DISTRIBUTION OF MONEYS FROM RESERVE ESTABLISHED UNDER 1999 WISCONSIN  
5 ACT 11. Notwithstanding the requirement under 1999 Wisconsin Act 11, section 27  
6 (1) (b), that the employee trust funds board make deductions on a monthly basis from  
7 employers' credit balances, the board shall distribute all remaining moneys in the

**BILL**

1 reserve established under 1999 Wisconsin Act 11, section 27 (1) (b), before January  
2 1, 2008.

3 (END)





## 2007 BILL

1 **AN ACT to amend** 40.02 (8) (a) 2. of the statutes; **relating to:** Wisconsin  
2 Retirement System beneficiary standard sequence.

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

Under the Wisconsin Retirement System, for the payment of a death benefit, if there is no designated beneficiary, the Department of Employee Trust Funds pays the benefit to the following individuals in the following order: the widow or widower; the children or the children's spouses if the children are deceased; the grandchildren; parents; and brothers and sisters. This bill eliminates the spouses of children who are deceased from being in line to receive the death benefit.

Because this bill relates to public employee retirement or pensions, it may be referred to the Joint Survey Committee on Retirement Systems for a report to be printed as an appendix to the bill.

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

3 **SECTION 1.** 40.02 (8) (a) 2. of the statutes is amended to read:  
4 40.02 (8) (a) 2. In the absence of a written designation of beneficiary, or if all  
5 beneficiaries so designated die before filing with the department an application for  
6 any death benefit payable, the person determined in the following sequence: group

**BILL**

1 1, ~~widow or widower~~ surviving spouse; group 2, children if at least one child survives  
2 of the deceased participant, employee or annuitant, in ~~which event~~ with the share  
3 of any deceased child ~~shall be payable to the surviving spouse~~ issue of the child ~~or~~  
4 ~~to the surviving children of the child if there is no spouse, per stirpes,~~ or otherwise  
5 to the other eligible children in this group ~~or their issue~~; group 3, grandchild; group  
6 4, parent; group 5 ~~4~~, brother and sister and to the issue of any deceased brother or  
7 sister, per stirpes. No payment may be made to a person included in any group if  
8 there is a living person in any preceding group.

9 (END)





## 2007 BILL

1     **AN ACT to amend** 40.24 (1) (e) of the statutes; **relating to:** accelerated death  
2           benefit option continuation under the Wisconsin Retirement System.

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*Analysis by the Legislative Reference Bureau*

Current law allows a Wisconsin Retirement System annuitant to select an annuity option that pays the annuitant a temporary additional annuity until the end of the month in which the annuitant attains age 62 or dies, whichever occurs first. When the annuitant reaches age 62, the subsequent annuity payments are reduced to fund the cost of the temporary additional annuity that he or she received before attaining age 62. This bill eliminates the requirement that the temporary additional annuity must end at the annuitant's death if the annuitant dies before attaining age 62, instead permitting a beneficiary to continue receiving the temporary additional annuity until the month after the month in which the annuitant would have attained age 62.

Because this bill relates to public employee retirement or pensions, it may be referred to the Joint Survey Committee on Retirement Systems for a report to be printed as an appendix to the bill.

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

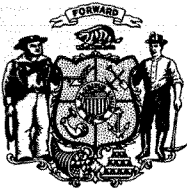
3           **SECTION 1.** 40.24 (1) (e) of the statutes is amended to read:

**BILL**

1           40.24 (1) (e) A reduced annuity payable in the normal form or any of the  
2 optional life forms provided under this section, plus a temporary annuity payable  
3 monthly but terminating with the payment payable in the month following the  
4 month in which the annuitant attains age 62 ~~or, if earlier, on the death of the~~  
5 ~~annuitant. If the annuitant dies before the end of the final payment, the remaining~~  
6 ~~payments of temporary annuity certain shall be made in accordance with s. 40.73 (2)~~  
7 ~~to the annuitant's beneficiary.~~ It is the intent of this option that so far as is  
8 practicable the amounts of the life annuity and temporary annuity shall be  
9 determined so that the annuitant's total anticipated benefits from the fund and from  
10 his or her primary OASDHI benefit will be the same each month both before and after  
11 attainment of age 62.

12

(END)



## 2007 BILL

1 AN ACT *to amend* 40.70 (1) (b) and 40.70 (6) of the statutes; **relating to:** life  
2 insurance benefits administered by the Department of Employee Trust Funds.

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

Under current law, to be insured under the group life insurance plan administered by the Department of Employee Trust Funds (DETF), an eligible employee must file an application with DETF. This bill requires that the application be filed in the manner provided by rule or contract. In addition, the bill also eliminates a requirement that an eligible employee who did not apply for life insurance when initially eligible cannot apply for that life insurance once he or she reaches the age of 55.

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

3 SECTION 1. 40.70 (1) (b) of the statutes is amended to read:  
4 40.70 (1) (b) The employee files with the department an application in the  
5 manner provided by rule or contract, to be effective on a date fixed by the department,  
6 for one or more of the types of coverage established under this subchapter. The group

**BILL**

1 insurance board may provide a different method of enrollment than provided under  
2 this subsection.

3 **SECTION 2.** 40.70 (6) of the statutes is amended to read:

4 40.70 (6) Except as provided in sub. (7m), any employee who has not applied  
5 for coverage under sub. (1) within ~~6 months~~ the time period specified by rule or  
6 contract after becoming eligible for coverage or any employee whose insurance  
7 terminates under sub. (8) shall not thereafter become insured for that coverage  
8 unless ~~prior to the attainment of age 55~~ the employee furnishes evidence of  
9 insurability satisfactory to the insurer, at his or her own expense. If the evidence is  
10 approved, the employee shall become insured on the first day of the first month  
11 beginning after the approval.

12

(END)



## 2007 BILL

1     **AN ACT** *to renumber and amend* 40.02 (8) (b); *to amend* 40.08 (8) (a) (intro.);  
2             *and to create* 40.02 (8) (b) 2., 40.74 (6) and 40.74 (7) of the statutes; **relating**  
3     **to:** beneficiaries under group life insurance plans administered by the  
4     Department of Employee Trust Funds.

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### *Analysis by the Legislative Reference Bureau*

Currently, under the Wisconsin Retirement System (WRS), retirement benefits that are payable as the result of the death of a WRS participant are not considered to be abandoned until at least ten years have elapsed. This bill provides that the abandonment provisions for retirement benefits are intended to apply to all WRS benefits and benefits under the deferred compensation plan. The bill also specifies when the potential beneficiary of a deceased person, who was insured under the group life insurance program, is treated as having abandoned any claim to the life insurance benefits. Finally, the bill eliminates a current law provision that allows a person to be considered a WRS beneficiary by filing a beneficiary designation without actually applying for the death benefit.

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

5             **SECTION 1.** 40.02 (8) (b) of the statutes is renumbered 40.02 (8) (b) (intro.) and  
6     amended to read:

**BILL**

1           40.02 (8) (b) (intro.) "Beneficiary" does not include ~~a~~ any of the following:

2           1. A person who dies before filing with the department either a beneficiary  
3 designation applicable to that death benefit or an application for any death benefit  
4 payable to the person except as otherwise provided under group 2, under par. (a) 2.  
5 If a person dies after filing a beneficiary application but before the date on which the  
6 benefit check, share draft or other draft is issued or funds are otherwise transferred,  
7 any benefit payable shall be paid in accord with the written designation of  
8 beneficiary, if any, filed with the department in connection with the application or,  
9 if none, in accord with the last designation previously filed by the person, or  
10 otherwise to the person's estate.

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

12           40.02 (8) (b) 2. For purposes of a group life insurance benefit plan under this  
13 chapter, and at the discretion of the department, an individual who is notified by the  
14 department or insurer that a benefit is payable to the individual because of the death  
15 of an insured person, who is provided with any necessary application form, and who  
16 does not then apply for the benefit within 12 months of the date of notification by the  
17 department that the benefit is payable to the individual.

18           **SECTION 3.** 40.08 (8) (a) (intro.) of the statutes is amended to read:

19           40.08 (8) (a) (intro.) Benefits provided under this chapter Except as otherwise  
20 provided in s. 40.02 (8) (b) or 40.74 (6) or (7) or a contract or rule governing the benefit  
21 plan, benefits provided under the Wisconsin Retirement System and upon the death  
22 of a person under s. 40.65 (7) or the deferred compensation plan shall be considered  
23 abandoned as follows:

24           **SECTION 4.** 40.74 (6) of the statutes is created to read:









State of Wisconsin  
2005 - 2006 LEGISLATURE

LRB-0873/P1  
RAC:jld:jf

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

1     **AN ACT to amend** 40.08 (4) and 40.25 (5) (b) of the statutes; **relating to:** interest  
2             rates charged on moneys owed the Department of Employee Trust Funds for  
3             benefit programs (suggested as remedial legislation by the Department of  
4             Employee Trust Funds).

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

Current law provides that for certain moneys owed under public employee benefit plans, the Department of Employee Trust Funds (DETF) may retain the moneys from payments due any person or estate and may charge interest at the effective rate, which is essentially the most recent annual investment return on moneys in the fixed annuity division of the employee trust fund. This bill changes the rate at which interest can be charged to the assumed rate, which is the projected actuarial rate that is needed to fund the benefits under the Wisconsin Retirement System, unless DETF sets another rate by rule.

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

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***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

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.

**SECTION 1.** 40.08 (4) of the statutes is amended to read:

40.08 (4) RETENTION OF PAYMENTS. Unless voluntarily repaid and except as limited by sub. (10), the department may retain out of any annuity or benefit an amount as the department in its discretion may determine, for the purpose of reimbursing the appropriate benefit plan accounts for a balance due under s. 40.25 (5) or for any money paid, plus interest at the ~~effective rate of the fixed annuity division~~ assumed rate, unless the department sets a different rate by rule, to any person or estate, through misrepresentation, fraud or error. Upon the request of the department any employer shall withhold from any sum payable by the employer to any person or estate and remit to the department any amount, plus interest at the ~~effective rate of the fixed annuity division~~ assumed rate, unless the department sets a different rate by rule, which the department paid to the person or estate through misrepresentation, fraud or error. Any amount, plus interest at the ~~effective rate~~ assumed rate, unless the department sets a different rate by rule, not recovered by the department from the employer may be procured by the department by action brought against the person or estate.

**SECTION 2.** 40.25 (5) (b) of the statutes is amended to read:

40.25 (5) (b) The full amount of the benefit paid, plus interest at the ~~effective rate~~ assumed rate, unless the department sets a different rate by rule, shall be repaid to the Wisconsin retirement system by the employer of an employee whose rights and creditable service are reestablished under par. (a) within 60 days after the effective date of the employee's reinstatement. The amount repaid by the employer under this paragraph shall be deducted by the employer from any payment due the employee

2005 Staff  
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1 as a result of the resolution of the appeal or, if that amount is insufficient, the balance  
2 shall be deducted from the employee's earnings except the amount deducted from  
3 each earnings payment shall be not less than 10% nor more than 25% of the earnings  
4 payment. If the employee terminates employment the employer shall notify the  
5 department of the amount not yet repaid, including any interest due, at the same  
6 time it notifies the department of the termination of employment, and the  
7 department shall repay to the employer the balance of the amount due from  
8 retentions made under s. 40.08 (4). The employer may charge interest at a rate not  
9 in excess of the current year's assumed rate on any amount unpaid at the end of any  
10 calendar year after the year of reinstatement.

11

(END)



PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

1     **AN ACT to amend** 40.73 (3) (e) of the statutes; **relating to:** payment of death  
2           benefits under the Wisconsin retirement system (suggested as remedial  
3           legislation by the department of employee trust funds).

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

This bill specifies that the number of guaranteed death benefit payments that are payable to a beneficiary of a participant in the Wisconsin retirement system may not exceed the life expectancy of the beneficiary.

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.

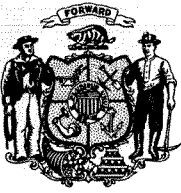
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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

LAW REVISION COMMITTEE PREFATORY NOTE: This bill is a remedial legislation proposal, requested by the department of employee trust funds and introduced by the 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.

4     **SECTION 1.** 40.73 (3) (e) of the statutes is amended to read:





## 2007 BILL

1     **AN ACT to amend** 40.03 (6) (i) of the statutes; **relating to:** authority of the Group  
2             Insurance Board (suggested as remedial legislation by the Department of  
3             Employee Trust Funds).

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### *Analysis by the Legislative Reference Bureau*

Under current law, the Group Insurance Board is authorized to hear appeals of determinations made by the Department of Employee Trust Funds affecting group insurance plans. This bill requires the Group Insurance Board to hear such appeals.

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

For further information see the *state* 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:***

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

4     **SECTION 1.** 40.03 (6) (i) of the statutes is amended to read:





PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

1     **AN ACT to amend** 40.65 (3) of the statutes; **relating to:** eligibility requirements  
2             for duty disability benefit under the Wisconsin Retirement System (suggested  
3             as remedial legislation by the Department of Employee Trust Funds).

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*Analysis by the Legislative Reference Bureau*

The bill eliminates a requirement that a participant must submit a certified copy of his or her most recent state or federal income tax return to the Wisconsin Retirement Board (board) for income verification purposes under the Duty Disability program. Instead, the bill authorizes, but does not require, the board to impose such a requirement.

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

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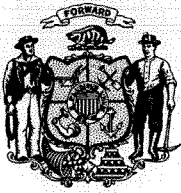
*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

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

4     **SECTION 1.** 40.65 (3) of the statutes is amended to read:







State of Wisconsin  
2007 - 2008 LEGISLATURE

LRB-0590/P1  
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PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

1     **AN ACT to amend** 40.05 (2) (b), 40.05 (2) (bu), 40.05 (2) (bv), 40.05 (2) (bw) and  
2             40.05 (2) (bz) of the statutes; **relating to:** amortization period for unfunded  
3             prior service liability under the Wisconsin Retirement System (suggested as  
4             remedial legislation by the Department of Employee Trust Funds).

---

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

Currently, unfunded prior service liabilities under the Wisconsin Retirement System are funded over a 40-year amortization period. This bill reduces the amortization period to 30 years for all unfunded prior service liabilities incurred after the bill's effective date.

This bill is explained in the NOTES provided by the Joint Legislative Council in the bill.

Because this bill relates to public employee retirement or pensions, it may be referred to the Joint Survey Committee on Retirement Systems for a report to be printed as an appendix to the 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:***

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

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.

1           **SECTION 1.** 40.05 (2) (b) of the statutes is amended to read:

2           40.05 (2) (b) Contributions shall be made by each participating employer for  
3 unfunded prior service liability in a percentage of the earnings of each participating  
4 employee. A separate percentage rate shall be determined for the employee  
5 occupational categories under s. 40.23 (2m) as of the employer's effective date of  
6 participation. The rates shall be sufficient to amortize as a level percent of payroll  
7 over a period of 40 30 years from the later of that date or January 1, 1986, the  
8 unfunded prior service liability for the categories of employees of each employer  
9 determined under s. 40.05 (2) (b), 1981 stats., increased to reflect any creditable prior  
10 service granted on or after January 1, 1986, increased to reflect the effect of 1983  
11 Wisconsin Act 141, increased at the end of each calendar year after January 1, 1986,  
12 by interest at the assumed rate on the unpaid balance at the end of the year and  
13 adjusted under pars. (bu), (bv) and (bw).

14           **SECTION 2.** 40.05 (2) (bu) of the statutes is amended to read:

15           40.05 (2) (bu) The employer contribution rate determined under par. (b) for  
16 each employer shall be adjusted, if necessary, to reflect the added prior service  
17 liability of paying additional joint and survivor death benefits to beneficiaries of  
18 participating employees as a result of 1997 Wisconsin Act 58 and that rate shall be  
19 sufficient to amortize the unfunded prior service liability of the employers over the  
20 remainder of the 40-year amortization period under ~~par. (b)~~ s. 40.05 (2) (b), 2005  
21 stats.

22           **SECTION 3.** 40.05 (2) (bv) of the statutes is amended to read:

1           40.05 (2) (bv) The employer contribution rate determined under par. (b) for  
2 participating employees who served in the U.S. maritime service shall be adjusted  
3 to reflect the cost of granting creditable service under s. 40.02 (15) (a) 7. and that rate  
4 shall be sufficient to amortize the unfunded prior service liability of the employers  
5 over the remainder of the 40-year amortization period under ~~par. (b)~~ s. 40.05 (2) (b),  
6 2005 stats.

7           **SECTION 4.** 40.05 (2) (bw) of the statutes is amended to read:

8           40.05 (2) (bw) The employer contribution rate determined under par. (b) for the  
9 University of Wisconsin System shall be adjusted to reflect the cost of granting  
10 creditable service under s. 40.285 (2) (e) and that rate shall be sufficient to amortize  
11 the unfunded prior service liability of the employers over the remainder of the  
12 40-year amortization period under ~~par. (b)~~ s. 40.05 (2) (b), 2005 stats.

13           **SECTION 5.** 40.05 (2) (bz) of the statutes is amended to read:

14           40.05 (2) (bz) The employer contribution rate determined under par. (b) for the  
15 department of administration shall be adjusted to reflect the cost of granting  
16 creditable service under s. 40.02 (17) (gm) and that rate shall be sufficient to amortize  
17 the unfunded prior service liability of the department of administration over the  
18 remainder of the 40-year amortization period under ~~par. (b)~~ s. 40.05 (2) (b), 2005  
19 stats.

20           **SECTION 6. Initial applicability.**

21           (1) The treatment of section 40.05 (2) (b) of the statutes first applies to  
22 unfunded prior service liabilities under the Wisconsin Retirement System that are  
23 incurred on the effective date of this subsection.

24           **(END)**



PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

1     **AN ACT to amend** 40.08 (1); and **to create** 40.08 (1r) of the statutes; **relating**  
2           **to:** attachment of retirement benefits for delinquent state tax purposes  
3           (suggested as remedial legislation by the Department of Employee Trust  
4           Funds).

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

Currently, the Department of Revenue (DOR) may attach Wisconsin Retirement System (WRS) benefits for delinquent tax purposes. The bill clarifies that DOR may attach WRS annuity payments, lump sum payments, and disability annuity payments.

This bill is explained in the NOTES provided by the Joint Legislative Council.

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***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 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.

5     **SECTION 1.** 40.08 (1) of the statutes is amended to read:

