

2009 DRAFTING REQUEST

Bill

Received: **09/03/2009**

Received By: **rchampag**

Wanted: **As time permits**

Identical to LRB:

For: **Jason Fields (608) 266-3756**

By/Representing: **Lori**

This file may be shown to any legislator: **NO**

Drafter: **rchampag**

May Contact:

Addl. Drafters:

Subject: **Employ Pub - retirement**

Extra Copies: **MES**

Submit via email: **YES**

Requester's email: **Rep.Fields@legis.wisconsin.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Retention of abandoned accounts under MERS

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>
/?				_____			Local Retire
/P1	rchampag 09/10/2009	kfollett 09/15/2009	phenry 09/15/2009	_____	sbasford 09/15/2009		Local Retire
/1	rchampag 09/29/2009	kfollett 09/29/2009	phenry 09/29/2009	_____	mbarman 09/29/2009	lparisi 09/29/2009	

FE Sent For:

<END>

↳ At Intro.

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/1	rchampag 09/29/2009	kfollett 09/29/2009	phenry 09/29/2009	_____	mbarman 09/29/2009		

Jacketed

for
Assembly
(see attached)

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/P1	rchampag 09/10/2009	kfollett 09/15/2009 11/5/09 9/29	phenry 09/15/2009 a/bg ph		sbasford 09/15/2009		
FE Sent For:				<END>			

PA's - Jacket "1" for Assembly (see attached)

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Wanted: As time permits

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For: **Jason Fields (608) 266-3756**

By/Representing: **Lori**

This file may be shown to any legislator: **NO**

Drafter: **rchampag**

May Contact:

Addl. Drafters:

Subject: **Employ Pub - retirement**

Extra Copies: **MES & RPN**

Submit via email: **YES**

Requester's email: **Rep.Fields@legis.wisconsin.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Retention of abandoned accounts under MERS

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>
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/?	rchampag		9/18 ph	9/18 ph			
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FE Sent For:

<END>

Champagne, Rick

From: Youngman, Lori
Sent: Thursday, September 03, 2009 9:30 AM
To: Champagne, Rick
Subject: Rep. Fields' bill draft

Attachments: 20090903101708093.pdf



2009090310170809
3.pdf (57 KB)

Rick,

Attached is a memo from the City of Milwaukee regarding changing state statutes to allow the City to retain unclaimed funds in the City's ERS. Rep. Fields would like a bill drafted to address this issue.

Brenda Wood, Senior Legislative Coordinator, City of Milwaukee, 414-286-2372, is available to answer any questions,

Thank you.

Lori Youngman
Office of State Rep. Jason Fields
221 North State Capitol
PO Box 8952
Madison, WI 53708
608-266-3756



ok

Department of Administration
Intergovernmental Relations Division

Tom Barrett
Mayor

Sharon Robinson
Director of Administration

Paul Vornholt
Director of Intergovernmental Relations

Proposal: Amend s.62.63 to Allow Unclaimed Funds in the City of Milwaukee Employees' Retirement System (ERS) to be Retained

Background

Under current law, Wisconsin Statutes Chapter 177, the Uniform Unclaimed Property Act, applies to the City of Milwaukee pension fund (one of three public pension funds in the state). Annually, the ERS must send unclaimed pension benefits to the State of Wisconsin. The City of Milwaukee ERS is seeking an exception to Ch. 177 as is currently provided to the Wisconsin Retirement System.

Goal

- To retain abandoned funds in the Employees' Retirement System to assist in the overall funding of the retirement system

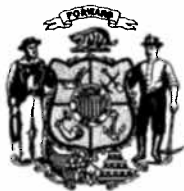
Key Points

The unclaimed funds would be reinvested in the pension fund and become part of the funding reserve to help offset actuarial and market losses which periodically occur.

The ERS should be treated similarly to the Wisconsin Retirement System. The WRS is allowed to reinvest abandoned funds. The Uniform Unclaimed Property Act does not apply to WRS due to a statutory exception (s.40.08).

An exemption would allow the City's fund to retain and safeguard the abandoned property of City employees rather than paying it to the state. The ERS would remain obligated to pay the benefit when or if it was ever claimed.

The City of Milwaukee is obligated to use taxpayer funds to fully fund the ERS for 2010. Retaining any abandoned funds helps to minimize any taxpayer obligation.



PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

- gen. cat.

- 1 AN ACT ...; **relating to:** treatment of abandoned employee retirement accounts
2 under a retirement system of a 1st class city.

Uniform
Analysis by the Legislative Reference Bureau

Under the ^{Uniform} Unclaimed Property Act, all intangible property held by a governmental subdivision or agency that remains unclaimed for more than a year after it becomes payable or distributable is presumed abandoned. Once intangible property is presumed abandoned, it is subject to the custody of the state as unclaimed property. This bill provides that funds held in employee accounts of a retirement system of a 1st class city, which become abandoned, are not subject to the custody of the state as unclaimed property, but may be retained by the retirement system for purposes of reducing employer funding obligations to the retirement system. (Currently, the only retirement system of a 1st class city is the City of Milwaukee Employees' Retirement System.) The bill specifically authorizes the board of any retirement system of a 1st class city to devise rules and regulations for determining the conditions under which employee retirement accounts are presumed abandoned and for determining the manner in which funds in the abandoned employee retirement accounts may be used to reduce employer funding obligations to the retirement system.

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 *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:

1 SECTION 1. 62.63 (5) of the statutes is created to read:

2 62.63 (5) TREATMENT OF ABANDONED RETIREMENT ACCOUNTS. Funds in employee

3 retirement accounts of a retirement system of a 1st class city, which are presumed

4 abandoned under s. 177.13, are not subject to the custody of the state as unclaimed

5 property under ch. 177, but shall be retained by the retirement system and used to

6 reduce employer funding obligations to the retirement system. The board of a

7 retirement system of a 1st class city shall devise rules and regulations for

8 determining the conditions under which employee retirement accounts are

9 presumed abandoned and for determining the manner in which funds in the

10 abandoned employe retirement accounts may be used to reduce employer funding

11 obligations to the retirement system.

(END)

D-Note

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-3371/P1dn

RAC.: kjf

Date

X
Representative Fields:

Per your request, I permitted the City of Milwaukee Employees' Retirement System to retain abandoned employee retirement accounts and to use funds in these accounts for reducing employer funding obligations to the retirement system. I note that you are working on this issue at the request of the City of Milwaukee and thus you may wish to have city staff review the draft to make sure it is drafted as intended.

Please be aware that there are many different ways to address this issue, with differing levels of statutory detail. I simply required the retirement system board to devise rules and regulations for determining the conditions under which employee retirement accounts are presumed abandoned and for determining the manner in which funds in the abandoned employee retirement accounts may be used to reduce employer funding obligations to the retirement system.

Once you are satisfied with this preliminary draft, I will immediately prepare it for introduction.

Rick A. Champagne
Senior Legislative Attorney
Phone: (608) 266-9930
E-mail: rick.champagne@legis.wisconsin.gov

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-3371/P1dn
RAC:kjf:ph

September 15, 2009

Representative Fields:

Per your request, I permitted the City of Milwaukee Employees' Retirement System to retain abandoned employee retirement accounts and to use funds in these accounts for reducing employer funding obligations to the retirement system. I note that you are working on this issue at the request of the City of Milwaukee and thus you may wish to have city staff review the draft to make sure it is drafted as intended.

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Rick A. Champagne
Senior Legislative Attorney
Phone: (608) 266-9930
E-mail: rick.champagne@legis.wisconsin.gov

Barman, Mike

From: Champagne, Rick
Sent: Tuesday, September 29, 2009 11:25 AM
To: Youngman, Lori
Cc: Barman, Mike
Subject: FW: Draft review: LRB 09-3371/P1 Topic: Retention of abandoned accounts under MERS
Attachments: LRB-3371_P1; LRB-3371_P1 Drafters_Note

We will jacket it for you.

Mike, can you jacket this for Rep. Fields?

Needs To
Go To
A "/1"
First

From: Youngman, Lori
Sent: Tuesday, September 29, 2009 11:24 AM
To: Champagne, Rick
Subject: FW: Draft review: LRB 09-3371/P1 Topic: Retention of abandoned accounts under MERS

Rick,

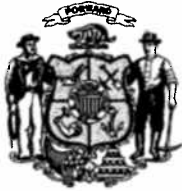
The draft is good. Rep. Fields would like to introduce it.

Thank you.

Lori Youngman
Office of State Rep. Jason Fields
221 North State Capitol
PO Box 8952
Madison, WI 53708
608-266-3756

From: Basford, Sarah
Sent: Tuesday, September 15, 2009 12:11 PM
To: Rep.Fields
Subject: Draft review: LRB 09-3371/P1 Topic: Retention of abandoned accounts under MERS

Following is the PDF version of draft LRB 09-3371/P1 and drafter's note.



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-3371/P1 /
RAC:kjf:ph

Today

RMR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

- gen cat

- 1 AN ACT *to create* 62.63 (5) of the statutes; **relating to:** treatment of abandoned
2 employee retirement accounts under a retirement system of a 1st class city.

Analysis by the Legislative Reference Bureau

Under the Uniform Unclaimed Property Act, all intangible property held by a governmental subdivision or agency that remains unclaimed for more than a year after it becomes payable or distributable is presumed abandoned. Once intangible property is presumed abandoned, it is subject to the custody of the state as unclaimed property. This bill provides that funds held in employee accounts of a retirement system of a 1st class city, which become abandoned, are not subject to the custody of the state as unclaimed property, but may be retained by the retirement system for purposes of reducing employer funding obligations to the retirement system. (Currently, the only retirement system of a 1st class city is the City of Milwaukee Employees' Retirement System.) The bill specifically authorizes the board of any retirement system of a 1st class city to devise rules and regulations for determining the conditions under which employee retirement accounts are presumed abandoned and for determining the manner in which funds in the abandoned employee retirement accounts may be used to reduce employer funding obligations to the retirement system.

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