

2013 DRAFTING REQUEST

Bill

Received: **12/27/2013** Received By: **gmalaise**
Wanted: **As time permits** Same as LRB:
For: **Dave Hansen (608) 266-5670** By/Representing: **Jay Wadd**
May Contact: Drafter: **gmalaise**
Subject: **Employ Priv - miscellaneous** Addl. Drafters:
Extra Copies:

Submit via email: **YES**
Requester's email: **Sen.Hansen@legis.wisconsin.gov**
Carbon copy (CC) to:

Pre Topic:

No specific pre topic given

Topic:

Pension plan for private sector employees

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>
/?	gmalaise 1/25/2014	kfollett 1/28/2014		_____			
/P1	gmalaise 1/31/2014		jmurphy 1/29/2014	_____	sbasford 1/29/2014		State
/1	gmalaise 2/7/2014	kfollett 2/5/2014	jfrantze 2/5/2014	_____	srose 2/5/2014	mbarman 2/10/2014	State

 kfollett

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required
2/10/2014 _____

FE Sent For:

(a)
INTRO

<END>

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/P1	gmalaise 1/31/2014		jmurphy 1/29/2014	_____	sbasford 1/29/2014		State
/1		kfollett 2/5/2014	jfrantze 2/5/2014	_____	srose 2/5/2014		State

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/?	gmalaise 1/25/2014	kfollett 1/28/2014		_____			
/P1		1/15/14 2/5	jmurphy 1/29/2014 1/15/14 2/5	_____	sbasford 1/29/2014		State

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<END>

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/?	gmalaise	1/11/13 1/28	1/11/13 1/28	_____	_____		

FE Sent For:

<END>

Malaise, Gordon

From: Wadd, Jay
Sent: Thursday, December 12, 2013 3:59 PM
To: Malaise, Gordon
Subject: New Pension Draft

Gordon,

Of course after I sent you the drafting instructions someone raised a couple of concerns that make sense so I am sending you a slightly revised set of instructions that mainly deal with creation of the board, etc.

One note: Please replace the member of the Board from Deferred Comp with a member from SWIB.

I don't intend to send any more changes to the instructions until we get the initial draft.

Thanks again,

Jay



Wisconsin Retirement Security Act

***NOTE: Please replace the board member from Deferred Comp with a member from SWIB.**

Create the Board

- ✦ ETF will provide initial staffing for the establishment of the Board and for providing consultation to the Board with respect to its responsibilities including conducting a feasibility study, creating the plan design and conduct public hearings.
- ✓ ETF shall receive GPR sufficient to carry out these initial functions.
- ✦ The Board will be required to conduct a feasibility study of establishing the plan that includes the potential population, the most reasonable design and structure, and the probable cost of implementing this retirement plan.
- ✦ The Board will hold public hearings on the study and plan design and submit a request to the JFC to provide startup funding for the plan.
- ✦ Provide up front funding (in the form of a loan) for the board to create a state private retirement plan including funding for administrative costs, actuarial consulting and conducting public hearings).
- ✦ Require the Board to determine the estimated cost to start the plan and the amount of time necessary to make the plan viable.

Create the Plan

- ✦ Require that the fund be managed/invested by SWIB and the plan be administered by the ETF.
- ✦ Require that the plan share to the extent possible a design reasonably commensurate with the structure of the WRS.
- ✦ Require that the establishment of the Board and the development of the plan take no longer than 18 months.

Conduct Public Hearings

- ✦ Require the Board to conduct public hearings to gather input necessary to creating and designing the retirement plan.

- ✍ Require the Board to conduct five public hearings on the plan throughout the state to gather public input. Only one hearing may be held in Madison. The remaining four must represent the different geographic areas of the state including SE Wisconsin, Western Wisconsin, Northern Wisconsin and the Fox Valley/Northeast Wisconsin.
- ✍ Require that the hearings be held over a period of time not longer than 3 months.

Legislative Approval Required to Provide Loan for Plan's Start-up Costs

- ✍ Require legislative approval (in the form of an up or down vote) of funding in the form of a loan for the funds necessary for start-up of the plan.

I agree that since ETF and SWIB are now required to operate the plan that SWIB and not the Deferred Comp Board should appoint one of the members of the Board.



State of Wisconsin
2013 - 2014 LEGISLATURE

IN 1125
Week of 1127 -- Wed 1129? Due



LRB-3894/?
GMM. *gf*

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

Gen

1 **AN ACT ...; relating to:** creation of a private retirement security plan and making
2 appropriations.

Analysis by the Legislative Reference Bureau

Under current law the Employee Trust Fund Board (ETF board) administers the Wisconsin Retirement System (WRS) under which public employees who are covered under the WRS and their employers pay contributions to the WRS and the WRS, from those contributions and the earnings on those contributions, provides retirement annuities to those public employees.

This bill creates a Wisconsin private retirement security board (board) and requires the board to establish a private retirement security plan (plan) to provide retirement benefits for residents of this state who choose to participate in the plan. Specifically, the bill requires the board to do all of the following:

1. Conduct a study to determine the feasibility of establishing a plan (feasibility study). The feasibility study must estimate the potential population that is likely to choose to participate in the plan and the potential cost of implementing the plan and must recommend a design and structure for the plan that is most reasonable in light of that potential population and cost.
- fix* 2. Hold public hearings to receive testimony relating to the feasibility study and the recommended design and structure of the plan (public hearings). The board must hold not less than five public hearings and must hold those hearings over a period of not more than three months. The board may hold no more than one public hearing in Madison and must ensure that at one least one public hearing is held in each geographic area of the state, including the southeastern part of the state, the

western part of the state, the northern part of the state, and the northeastern part of the state.

3. Based on the feasibility study, the recommended design and structure of the plan, and the testimony received at the public hearings, design the plan. The board must design the plan so that, to the greatest extent possible, the design and structure of the plan are reasonably commensurate with the design and structure of the WRS. In designing the plan, the board must provide for the State of Wisconsin investment board to assist the board in managing and investing the assets of the fund and the assets of the accounts of participants in the plan and must provide for the ETF board to assist board in administering the plan.

4. Submit a request to the joint committee on finance (JCF) for supplemental funds from the general fund to provide funding for the board to conduct the feasibility study, hold the public hearings, and design the plan.

5. By no later than the first day of the 18th month beginning after the effective date of the bill, submit a report to the legislature, the governor, and the members of JCF summarizing the conclusions of the feasibility study, the testimony received at the public hearings, and the design of the plan. The report must also include an estimate of the cost of initial establishment and administration of the plan, an estimate of the amount of time necessary to make the plan viable, and a recommendation for any legislation that is necessary to implement the plan. On enactment of that legislation, the board must implement the plan in accordance with that legislation.

In addition, the bill requires the Department of Employee Trust Funds to provide staff and other resources to assist the board in the performance of the board's duties under the bill and permits the board to contract with actuarial consultants and any other person whose services are necessary for the board to conduct the feasibility study and design the plan.

Finally, the bill permits the board to charge reasonable fees to participants in the plan to cover the costs of administering the plan, to recover the investment costs of the accounts of those participants, and to repay the general fund for amounts provided to the board for the costs of conducting the feasibility study, holding the public hearings, and designing the plan and for the costs of the initial establishment and administration of the plan.

For further information see the *state* 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.** 15.07 (1) (a) 6. of the statutes is created to read:
- 2 15.07 (1) (a) 6. The members of the Wisconsin private retirement security board
- 3 shall be appointed as provided in s. 15.165 (5).

1 **SECTION 2.** 15.165 (5) of the statutes is created to read: ✓

2 **15.165 (5) WISCONSIN PRIVATE RETIREMENT SECURITY BOARD.** (a) There is created
3 in the department of employee trust funds a Wisconsin private retirement security
4 board consisting of the following members appointed for 5-year terms:

- 5 1. One member appointed by the employee trust funds board.
- 6 2. One member appointed by the investment board. ✓
- 7 3. One member appointed by the agricultural education and workforce
8 development council. ✓
- 9 4. One member appointed by the Wisconsin Women's Business Initiative
10 Corporation.
- 11 5. One member appointed by the senate majority leader.
- 12 6. One member appointed by the senate minority leader.
- 13 7. One member appointed by the speaker of the assembly.
- 14 8. One member appointed by the assembly minority leader.
- 15 9. One member appointed by the governor.

16 (b) Not less than 5 of the members appointed under par. (a) shall have at least
17 10 years of experience in making investments, but any person having a financial
18 interest in, or whose employer is primarily a dealer or broker in securities or
19 mortgage or real estate investments is not eligible for appointment, and any member
20 who acquires such an interest or accepts such appointment shall thereupon vacate
21 his or her membership. ✓

22 **SECTION 3.** 20.515 (2) of the statutes is created to read: ✓

23 **20.515 (2) PRIVATE RETIREMENT SECURITY PLAN.** (a) *Initial costs.* A sum sufficient
24 to be transferred to the Wisconsin private retirement security plan administration
25 trust fund under s. 25.52 and expended for the activities of the Wisconsin private

0

1 retirement security board under s. 40.99 (2) (a) to (c) and for the initial establishment
2 and administration of the Wisconsin private retirement security plan under s. 40.99
3 (2) (e).

4 (q) *Administrative expenses; Wisconsin private retirement security plan*
5 *administration trust fund.* From the Wisconsin private retirement security plan
6 administration trust fund, all moneys transferred to that fund under par. (a) for the
7 activities of the Wisconsin private retirement security board under s. 40.99 (2) (a) to
8 (c) and for the initial establishment and administration of the Wisconsin private
9 retirement security plan under s. 40.99 (2) (e), and all moneys deposited in that fund
10 under s. 40.99 (4) (b) for the administrative costs of the plan, for the investment costs
11 of accounts under that plan, and for repayment of the amounts appropriated under
12 par. (a).

13 SECTION 4. 25.17 (1) (yu) of the statutes is created to read:

14 25.17 (1) (yu) Wisconsin private retirement security plan administration trust
15 fund (s. 25.52), but subject to sub. (2) (fm).

16 SECTION 5. 25.17 (2) (fm) of the statutes is created to read:

17 25.17 (2) (fm) Invest the moneys belonging to the Wisconsin private retirement
18 security plan administration trust fund and the moneys contributed to accounts
19 established under that plan in any manner that does not violate the standard of
20 responsibility under s. 25.15 (2).

21 SECTION 6. 25.52 of the statutes is created to read:

22 25.52 Wisconsin private retirement security plan administration trust
23 fund. There is established a separate nonlapsible trust fund designated as the
24 Wisconsin private retirement security plan administration trust fund, to consist of

1 all moneys transferred to that fund under s. 20.515 (2) (a) and all moneys deposited
2 in that fund under s. 40.99 (4) (b).

3 SECTION 7. Chapter 40 (title) of the statutes is amended to read:

4 CHAPTER 40
5 PUBLIC EMPLOYEE TRUST FUND AND PRIVATE RETIREMENT
6 SECURITY PLAN

7 SECTION 8. Subchapter X of chapter 40 [precedes 40.99] of the statutes is
8 created to read:

9 CHAPTER 40
10 SUBCHAPTER X
11 PRIVATE RETIREMENT SECURITY PLAN

12 40.99 Private retirement security plan. (1) DEFINITIONS. In this section:

- 13 (a) "Board" means the Wisconsin private retirement security board.
- 14 (b) "Fund" means the Wisconsin private retirement security plan
15 administration trust fund under s. 25.52.
- 16 (c) "Plan" means the private retirement security plan established under this
17 section.

18 (2) DUTIES OF BOARD. The board shall:

- 19 (a) *Feasibility study.* Conduct a study to determine the feasibility of
20 establishing a private retirement security plan to provide retirement benefits for
21 residents of this state who choose to participate in the plan. The feasibility study
22 shall estimate the potential population that is likely to choose to participate in the
23 plan and the potential cost of implementing the plan and shall recommend a design
24 and structure for the plan that is most reasonable in light of that potential population
25 and cost. In conducting the feasibility study, the board may contract with actuarial

1 consultants and any other person whose services are necessary for the board to
2 conduct the feasibility study.

3 (b) *Public hearings.* Hold public hearings to receive testimony relating to the
4 feasibility study conducted, and the design and structure recommended, under par.

5 (a). The board shall hold not less than 5 public hearings under this paragraph and
6 shall hold those hearings over a period of not more than 3 months. The board may
7 hold no more than one public hearing under this paragraph in Madison and shall
8 ensure that at one least one public hearing under this paragraph is held in each
9 geographic area of the state, including the southeastern part of the state, the western
10 part of the state, the northern part of the state, and the northeastern part of the state.

11 (c) *Design of plan.* Based on the feasibility study conducted, and the design and
12 structure recommended, under par. (a) and the testimony received under par. (b),

13 design a private retirement security plan to provide retirement benefits for residents
14 of this state who choose to participate in the plan. The board shall design the plan
15 so that, to the greatest extent possible, the design and structure of the plan are
16 reasonably commensurate with the design and structure of the Wisconsin retirement
17 system. In designing the plan, the board shall provide for the investment board to
18 assist the board in managing and investing the assets of the fund and the assets of
19 the accounts of participants in the plan and shall provide for the employee trust
20 funds board to assist the board in administering the plan. In designing the plan, the
21 board may contract with actuarial consultants and any other person whose services
22 are necessary for the board to design the plan.

23 (d) *Funding of feasibility study, public hearings, and plan design.* 1. Submit
24 a request to the joint committee on finance for supplemental funds from the general
25 fund to be credited to the appropriation account under s. 20.515 (2) (a) to provide

Wisconsin private retirement security

the

1 funding for the board to conduct the feasibility study under par. (a), hold the public
 2 hearings under par. (b), and design the plan under par. (c). If the request is approved
 3 as provided in subd. 2., the joint committee on finance may, from the appropriation
 4 under s. 20.865 (4) (a), supplement the appropriation under s. 20.515 (2) (a) in an
 5 amount equal to the amount requested.

6 2. If the cochairpersons of the committee do not notify the department that the
 7 committee has scheduled a meeting for the purpose of reviewing the request for a
 8 supplement under subd. 1. within 14 working days after the date of the board's
 9 request, the supplement to the appropriation is approved. If, within 14 working days
 10 after the date of the board's request, the cochairpersons of the committee notify the
 11 board that the committee has scheduled a meeting for the purpose of reviewing the
 12 proposed supplement, the supplement may occur only upon approval of the
 13 committee.

14 (e) *Implementation of plan.* By no later than the first day of the 18th month
 15 beginning after the effective date of this subsection [lrj inserts date], submit a
 16 report to the legislature under s. 13.172 (2), the governor, and the members of the
 17 joint committee on finance summarizing the conclusions of the feasibility study
 18 conducted under par. (a), the testimony received at the public hearings held under
 19 par. (b), and the design of the plan. ^{under pw. (c)} The report shall also include an estimate of the
 20 cost of initial establishment and administration of the plan, an estimate of the
 21 amount of time necessary to make the plan viable, and a recommendation for any
 22 legislation that is necessary to implement the plan. On enactment of that legislation,
 23 the board shall implement the plan in accordance with that legislation.

24 (3) DUTIES OF DEPARTMENT. The department shall provide staff and other
 25 resources to assist the board in the performance of the board's duties under sub. (2).

1 (4) REPAYMENT OF GENERAL FUND. (a) The board may charge reasonable fees to
 2 participants in the plan to cover the costs of administering the plan, to recover the
 3 investment costs of the accounts of those participants, and to repay the general fund
 4 for amounts transferred to the fund under s. 20.515 (2) (a) as provided in par. (b).

5 (b) A fee collected under par. (a) shall be deposited in the Wisconsin private
 6 retirement security plan administration trust fund and credited to the appropriation
 7 account under s. 20.515 (2) (q). From that appropriation, the board shall transfer to
 8 the general fund an amount equal to the amount expended from the appropriation
 9 under s. 20.515 (2) (a) when the board determines that the balance in the fund is
 10 sufficient to make the transfer. The board may transfer that amount in installments.

11 (c) Annually, by June 1, the board shall submit a report to the joint committee
 12 on finance on the amounts available for transfer under par. (b), the amounts
 13 previously transferred under par. (b), and the outstanding balance that remains to
 14 be transferred under par. (b).

15 **SECTION 9. Nonstatutory provisions.**

Appointed

16 (1) WISCONSIN PRIVATE RETIREMENT SECURITY BOARD; INITIAL TERMS.
 17 Notwithstanding the length of terms for the members of the board of the Wisconsin
 18 private retirement security board specified in section 15.165 (5) (a) of the statutes,
 19 as created by this act, the initial terms of the members appointed under section
 20 15.165 (5) (a) 3. and 4. of the statutes, as created by this act, shall expire on May 1,
 21 2018, and the initial terms of the members appointed under section 15.165 (5) (a) 5.
 22 and 6. of the statutes, as created by this act, shall expire on May 1, 2017, the initial
 23 terms of the members ~~approved~~ under section 15.165 (5) (a) 7. and 8. of the statutes,
 24 as created by this act, shall expire on May 1, 2016, and the initial term of the member

21
22
23
24

1 appointed under section 15.165 (5) (a) 9. of the statutes, as created by this act, shall
2 expire on May 1, 2015.

3 (END)

Malaise, Gordon

From: Wadd, Jay
Sent: Thursday, January 30, 2014 4:58 PM
To: Malaise, Gordon
Subject: RE: Private Pension Bill Draft

A couple final changes to the draft and then I think we're good to go:

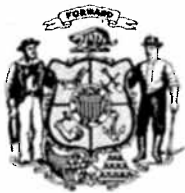
1. Add language making it clear that no funds are to be used from the Wisconsin Retirement System (fund) for any purposes related to the Wisconsin Private Retirement Security plan or for the Wisconsin Private Retirement Security Board (so that it is crystal clear that these are two separate funds and entities).
2. Delete all references to JFC approval of funding for the feasibility study, public hearings and plan design as found on page 7. Instead simply require the ETF to ~~WPA~~ provide an initial cost estimate to establish the Board, conduct the feasibility study, hold public hearings, and prepare a report to the legislature to be included in the request for transfer from the GPR appropriation.

These should be the final two changes Gordon. Please let me know if you have any questions.

Thanks again.

From: Malaise, Gordon
Sent: Wednesday, January 29, 2014 12:34 PM
To: Wadd, Jay
Subject: Private Pension Bill Draft

<< File: 13-3894/P1.pdf >>



①
pkc

EN 1/31
soon

Due 2/5

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

PK

no bold
my
Report

1 AN ACT *to amend* chapter 40 (title); and *to create* 15.07 (1) (a) 6., 15.165 (5),
2 20.515 (2), 25.17 (1) (yu), 25.17 (2) (fm), 25.52 and subchapter X of chapter 40
3 [precedes 40.99] of the statutes; **relating to:** creation of a private retirement
4 security plan and making appropriations.

Analysis by the Legislative Reference Bureau

Under current law the Employee Trust Fund Board (ETF board) administers the Wisconsin Retirement System (WRS) under which public employees who are covered under the WRS and their employers pay contributions to the WRS and the WRS, from those contributions and the earnings on those contributions, provides retirement annuities to those public employees.

This bill creates a Wisconsin private retirement security board (board) and requires the board to establish a private retirement security plan (plan) to provide retirement benefits for residents of this state who choose to participate in the plan. Specifically, the bill requires the board to do all of the following:

1. Conduct a study to determine the feasibility of establishing a plan (feasibility study). The feasibility study must estimate the potential population that is likely to choose to participate in the plan and the potential cost of implementing the plan and must recommend a design and structure for the plan that is most reasonable in light of that potential population and cost.

2. Hold public hearings to receive testimony relating to the feasibility study and the recommended design and structure of the plan (public hearings). The board must hold not less than five public hearings and must hold those hearings over a

period of not more than three months. The board may hold no more than one public hearing in Madison and must ensure that at one least one public hearing is held in each geographic area of the state, including the southeastern part of the state, the western part of the state, the northern part of the state, and the northeastern part of the state.

3. Based on the feasibility study, the recommended design and structure of the plan, and the testimony received at the public hearings, design the plan. The board must design the plan so that, to the greatest extent possible, the design and structure of the plan are reasonably commensurate with the design and structure of the WRS. In designing the plan, the board must provide for the State of Wisconsin Investment Board to assist the board in managing and investing the assets of the fund and the assets of the accounts of participants in the plan and must provide for the ETF board to assist the board in administering the plan.

4. ~~Submit a request to the Joint Committee on Finance (JCF) for supplemental funds from the general fund to provide funding for the board to conduct the feasibility study, hold the public hearings, and design the plan.~~ (report)

5. By no later than the first day of the 18th month beginning after the effective date of the bill, submit a report to the legislature, the governor, and the members of JCF summarizing the conclusions of the feasibility study, the testimony received at the public hearings, and the design of the plan. The report must also include an estimate of the cost of initial establishment and administration of the plan, an estimate of the amount of time necessary to make the plan viable, and a recommendation for any legislation that is necessary to implement the plan. On enactment of that legislation, the board must implement the plan in accordance with that legislation.

In addition, the bill requires the Department of Employee Trust Funds to provide staff and other resources to assist the board in the performance of the board's duties under the bill ~~and permits the board to contract with actuarial consultants and any other person whose services are necessary for the board to conduct the feasibility study and design the plan.~~

Finally, the bill permits the board to charge reasonable fees to participants in the plan to cover the costs of administering the plan, to recover the investment costs of the accounts of those participants, and to repay the general fund for amounts provided to the board for the costs of conducting the feasibility study, holding the public hearings, ~~and designing the plan,~~ and for the costs of the initial establishment and administration of the plan.

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

) and preparing and submitting the report

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

No Bold

SECTION 1. 15.07 (1) (a) 6. of the statutes is created to read:

1

★

4
The Joint Committee on Finance

Insert

! D

1 15.07 (1) (a) 6. The members of the Wisconsin private retirement security board
2 shall be appointed as provided in s. 15.165 (5).

3 **SECTION 2.** 15.165 (5) of the statutes is created to read:

4 15.165 (5) WISCONSIN PRIVATE RETIREMENT SECURITY BOARD. (a) There is created
5 in the department of employee trust funds a Wisconsin private retirement security
6 board consisting of the following members appointed for 5-year terms:

- 7 1. One member appointed by the employee trust funds board.
- 8 2. One member appointed by the investment board.
- 9 3. One member appointed by the agricultural education and workforce
10 development council.
- 11 4. One member appointed by the Wisconsin Women’s Business Initiative
12 Corporation.
- 13 5. One member appointed by the senate majority leader.
- 14 6. One member appointed by the senate minority leader.
- 15 7. One member appointed by the speaker of the assembly.
- 16 8. One member appointed by the assembly minority leader.
- 17 9. One member appointed by the governor.

18 (b) Not less than 5 of the members appointed under par. (a) shall have at least
19 10 years of experience in making investments, but any person having a financial
20 interest in, or whose employer is primarily a dealer or broker in, securities or
21 mortgage or real estate investments is not eligible for appointment, and any member
22 who acquires such an interest or accepts such appointment shall thereupon vacate
23 his or her membership.

24 **SECTION 3.** 20.515 (2) of the statutes is created to read:

SEC (R) 20.515 (1)(K) Assistance to Wisconsin private retirement security board.

All moneys transferred from the appropriation account under sub. (2)(a) for the activities & the department under s. 40.99(3).

1 20.515 (2) PRIVATE RETIREMENT SECURITY PLAN. (a) *Initial costs.* A sum sufficient
 2 to be transferred to the Wisconsin private retirement security plan administration
 3 trust fund under s. 25.52 and expended for the activities of the Wisconsin private
 4 retirement security board under s. 40.99 (2) (a) to (c) and for the initial establishment
 5 and administration of the Wisconsin private retirement security plan under s. 40.99

6 (2) (e) ^{(d) -} and to be transferred to the appropriation account under sub. (1)(k) ✓
 and expended for the activities of the department ~~trust funds~~ ✓
 under s. 40.99 (3)

7 (q) *Administrative expenses; Wisconsin private retirement security plan*
 8 *administration trust fund.* From the Wisconsin private retirement security plan
 9 administration trust fund, all moneys transferred to that fund under par. (a) for the
 10 activities of the Wisconsin private retirement security board under s. 40.99 (2) (a) to
 11 (c) and for the initial establishment and administration of the Wisconsin private
 12 retirement security plan under s. 40.99 (2) (e), ^{(d) ✓} and all moneys deposited in that fund
 13 under s. 40.99 (4) (b) for the administrative costs of the plan, for the investment costs
 14 of accounts under that plan, and for repayment of the amounts appropriated under
 15 par. (a).

16 SECTION 4. 25.17 (1) (yu) of the statutes is created to read: ✓

17 25.17 (1) (yu) Wisconsin private retirement security plan administration trust
 18 fund (s. 25.52), but subject to sub. (2) (fm).

19 SECTION 5. 25.17 (2) (fm) of the statutes is created to read: ✓

20 25.17 (2) (fm) Invest the moneys belonging to the Wisconsin private retirement
 21 security plan administration trust fund and the moneys contributed to accounts
 22 established under that plan in any manner that does not violate the standard of
 23 responsibility under s. 25.15 (2).

24 SECTION 6. 25.52 of the statutes is created to read: ✓

1 shall estimate the potential population that is likely to choose to participate in the
2 plan and the potential cost of implementing the plan and shall recommend a design
3 and structure for the plan that is most reasonable in light of that potential population
4 and cost. In conducting the feasibility study, the board may contract with actuarial
5 consultants and any other person whose services are necessary for the board to
6 conduct the feasibility study.

7 (b) *Public hearings.* Hold public hearings to receive testimony relating to the
8 feasibility study conducted, and the design and structure recommended, under par.

9 (a). The board shall hold not less than 5 public hearings under this paragraph and
10 shall hold those hearings over a period of not more than 3 months. The board may
11 hold no more than one public hearing under this paragraph in Madison and shall
12 ensure that at one least one public hearing under this paragraph is held in each
13 geographic area of the state, including the southeastern part of the state, the western
14 part of the state, the northern part of the state, and the northeastern part of the state.

15 (c) *Design of plan.* Based on the feasibility study conducted, and the design and
16 structure recommended, under par. (a) and the testimony received under par. (b),
17 design a private retirement security plan to provide retirement benefits for residents
18 of this state who choose to participate in the plan. The Wisconsin private retirement
19 security board shall design the plan so that, to the greatest extent possible, the
20 design and structure of the plan are reasonably commensurate with the design and
21 structure of the Wisconsin Retirement System. In designing the plan, the Wisconsin
22 private retirement security board shall provide for the investment board to assist the
23 Wisconsin private retirement security board in managing and investing the assets
24 of the fund and the assets of the accounts of participants in the plan and shall provide
25 for the employee trust funds board to assist the Wisconsin private retirement

1 security board in administering the plan. In designing the plan, the Wisconsin
2 private retirement security board may contract with actuarial consultants and any
3 other person whose services are necessary for the Wisconsin private retirement
4 security board to design the plan.

5 ~~(d) *Funding of feasibility study, public hearings, and plan design.* 1. Submit~~
6 ~~a request to the joint committee on finance for supplemental funds from the general~~
7 ~~fund to be credited to the appropriation account under s. 20.515 (2) (a) to provide~~
8 ~~funding for the board to conduct the feasibility study under par. (a), hold the public~~
9 ~~hearings under par. (b), and design the plan under par. (c). If the request is approved~~
10 ~~as provided in subd. 2., the joint committee on finance may, from the appropriation~~
11 ~~under s. 20.865 (4) (a), supplement the appropriation under s. 20.515 (2) (a) in an~~
12 ~~amount equal to the amount requested.~~

13 ~~2. If the cochairpersons of the committee do not notify the department that the~~
14 ~~committee has scheduled a meeting for the purpose of reviewing the request for a~~
15 ~~supplement under subd. 1. within 14 working days after the date of the board's~~
16 ~~request, the supplement to the appropriation is approved. If, within 14 working days~~
17 ~~after the date of the board's request, the cochairpersons of the committee notify the~~
18 ~~board that the committee has scheduled a meeting for the purpose of reviewing the~~
19 ~~proposed supplement, the supplement may occur only upon approval of the~~
20 ~~committee.~~

21 ~~(d)~~ ~~(e) *Implementation of plan.* By no later than the first day of the 18th month~~
22 ~~beginning after the effective date of this paragraph [LRB inserts date], submit a~~
23 ~~report to the legislature under s. 13.172 (2), the governor, and the members of the~~
24 ~~joint committee on finance summarizing the conclusions of the feasibility study~~
25 ~~conducted under par. (a), the testimony received at the public hearings held under~~

Assistance to board.

The department may not expend any moneys from the public employee trust fund for its activities under this subsection.

1 par. (b), and the design of the plan under par. (c). The report shall also include an
2 estimate of the cost of initial establishment and administration of the plan, an
3 estimate of the amount of time necessary to make the plan viable, and a
4 recommendation for any legislation that is necessary to implement the plan. On
5 enactment of that legislation, the board shall implement the plan in accordance with
6 that legislation.

From the appropriation account under s. 20.515 (1) (k), the

7
8-88

(3) DUTIES OF DEPARTMENT. The department shall provide staff and other resources to assist the board in the performance of the board's duties under sub. (2).

9 (4) REPAYMENT OF GENERAL FUND. (a) The board may charge reasonable fees to
10 participants in the plan to cover the costs of administering the plan, to recover the
11 investment costs of the accounts of those participants, and to repay the general fund
12 for amounts transferred to the fund under s. 20.515 (2) (a) as provided in par. (b).

13 (b) A fee collected under par. (a) shall be deposited in the Wisconsin private
14 retirement security plan administration trust fund and credited to the appropriation
15 account under s. 20.515 (2) (q). From that appropriation, the board shall transfer to
16 the general fund an amount equal to the amount expended from the appropriation
17 under s. 20.515 (2) (a) when the board determines that the balance in the fund is
18 sufficient to make the transfer. The board may transfer that amount in installments.

19 (c) Annually, by June 1, the board shall submit a report to the joint committee
20 on finance on the amounts available for transfer under par. (b), the amounts
21 previously transferred under par. (b), and the outstanding balance that remains to
22 be transferred under par. (b).

SECTION 9. Nonstatutory provisions.

24 (1) WISCONSIN PRIVATE RETIREMENT SECURITY BOARD; INITIAL TERMS.
25 Notwithstanding the length of terms for the members of the board of the Wisconsin

1 private retirement security board specified in section 15.165 (5) (a) of the statutes,
2 as created by this act, the initial terms of the members appointed under section
3 15.165 (5) (a) 3. and 4. of the statutes, as created by this act, shall expire on May 1,
4 2018, the initial terms of the members appointed under section 15.165 (5) (a) 5. and
5 6. of the statutes, as created by this act, shall expire on May 1, 2017, the initial terms
6 of the members appointed under section 15.165 (5) (a) 7. and 8. of the statutes, as
7 created by this act, shall expire on May 1, 2016, and the initial term of the member
8 appointed under section 15.165 (5) (a) 9. of the statutes, as created by this act, shall
9 expire on May 1, 2015.

10 (END)

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GMM.....

(INSERT 8-8)

1 (b) *Funding of initial costs.* The department shall submit a request to the joint
2 committee on finance for supplemental funds from the general fund to be credited
3 to the appropriation account under s. 20.515 (2) for the purposes specified in that
4 appropriation. The request shall include an estimate of the initial cost of
5 establishing the board, conducting the feasibility study under sub. (2) (a), holding the
6 public hearings under sub. (2) (b), designing the plan under sub. (2) (c), and
7 preparing and submitting the report under sub. (2) (d). After reviewing the request,
8 the joint committee on finance may, from the appropriation under s. 20.865 (4) (a),
9 supplement the appropriation under s. 20.515 (2) (a) in an amount equal to the
10 amount requested.

(END OF INSERT)

(INSERT A)

; and 2) submit a request to JCF for supplemental funds from the general fund to be credited to the general purpose revenue (GPR) appropriation of the board created under the bill. The request must include an estimate of the initial cost of establishing the board, conducting the feasibility study, holding the public hearings, designing the plan, and preparing and submitting the report. After reviewing the request, JCF may, from its GPR general program supplementation appropriation, supplement the GPR appropriation of the board in an amount equal to the amount requested.

(END OF INSERT)

Barman, Mike

From: Wagnitz, John
Sent: Monday, February 10, 2014 2:19 PM
To: LRB.Legal
Subject: Draft Review: LRB -3894/1 Topic: Pension plan for private sector employees

Please Jacket LRB -3894/1 for the SENATE.