2015 DRAFTING REQUEST

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Received:

9/28/2015

Received By:

fknepp

For:

Tyler August (608) 266-1190

Same as LRB:

-2269

May Contact:

By/Representing:

Jason

Subject:

Employ Pub - retirement

Drafter:

fknepp

Addl. Drafters:

Extra Copies:

Submit via email:

YES

Requester's email:

Carbon copy (CC) to:

Rep.August@legis.wisconsin.gov

fern.knepp@legis.wisconsin.gov

rick.champagne@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

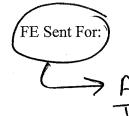
Increase Final Average Earnings Factor to 5 years

Instructions:

Companion draft to 2269/1

Drafting History:

Vers.	<u>Drafted</u>	Reviewed	<u>Proofed</u>	Submitted	<u>Jacketed</u>	Required
/1	fknepp 9/28/2015	jdyer 9/28/2015		sbasford 9/28/2015	sbasford 9/28/2015	State S&L Retire



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2015 DRAFTING REQUEST

Bill						
Received: 9/28/2015		Received By:	fknepp			
For:	Tyler Aug	Tyler August (608) 266-1190		Same as LRB:	-2269	
May Co	ontact:			By/Representing:	Jason	
Subject	Employ P	Employ Pub - retirement		Drafter:	fknepp	
				Addl. Drafters:		
				Extra Copies:		
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Pre To	pic:					
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Topic:						
Increase	e Final Average Ea	urnings Factor to	5 years			
Instruc	tions:					
Compar	nion draft to 2269/	1				
Draftin	g History:					
Vers.	<u>Drafted</u>	Reviewed	Proofed	Submitted	<u>Jacketed</u>	Required
/1	fknepp					State S&L Retire
FE Sent	For:					

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State of Misconsin 2015 - 2016 LEGISLATURE

LRB-3391/1 FFK:jld

Notchards

2015 BILL

Regen

AN ACT to amend 40.02 (33) (a) 1. and 40.02 (33) (a) 2. of the statutes; relating

to: determination of final average earnings for the purpose of calculating

Wisconsin Retirement System annuities.

Analysis by the Legislative Reference Bureau

Under current law, when a participant in the Wisconsin Retirement System (WRS) terminates covered employment and becomes eligible for an annuity, the annuity is calculated in one of two ways. The first way is based on the participant's final average earnings, the participant's number of years of creditable service, and a percentage multiplier. The final average earnings is a monthly rate of earnings that is calculated based on the three annual earnings periods in which the participant's earnings were highest. The second way is to calculate the amount of a money purchase annuity, which is determined based on the sum of a participant's accumulated required and additional contributions plus an amount that equals the participant's accumulated required contributions. The Department of Employee Trust Funds must pay an annuity based on the method that generates the higher annuity amount.

This bill revises the methodology of the first way in which a WRS annuity is calculated by providing that the final average earnings must be based on the *five* highest annual earnings periods instead of the *three* highest annual earnings periods. Under the bill, this change takes effect on the first day of the 60th month beginning after publication and applies to participants who terminate WRS covered employment on or after the first day of the 60th month beginning after publication.

BILL

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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.

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

SECTION 1. 40.02 (33) (a) 1. of the statutes is amended to read:

40.02 (33) (a) 1. The participant's total earnings received or considered to be received under sub. (22) (e), (ef), or (em) and for which contributions are made under s. 40.05 (1) and (2) during the -3--5 annual earnings periods (excluding any period more than -3--5 years prior to the effective date for any participating employer) in which the earnings were the highest, subject to federal annual compensation limits; by

SECTION 2. 40.02 (33) (a) 2. of the statutes is amended to read:

40.02 (33) (a) 2. Twelve times the total amount of creditable service for the -3 $\underline{5}$ periods.

SECTION 3. Initial applicability.

(1) This act first applies to participating employees in the Wisconsin Retirement System who terminate covered employment on the effective date of this subsection.

Section 4. Effective date.

(1) This act takes effect on the first day of the 60th month beginning after publication.

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Knepp, Fern

From:

Soper, John

Sent:

Monday, September 28, 2015 12:32 PM

To: Cc: Knepp, Fern Rostan, Jason

Subject:

LRB 2269

Fern,

Our office gives permission to share LRB 2269 w/ Rep. August's office. I have copied Jason Rostan from the August office on this email. I presume they will want a new LRB and jacket.

John Soper Chief of Staff Office of Sen. Duey Stroebel - 20th District (608)266-7513 John.soper@legis.wisconsin.gov