



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2015 Wisconsin Act 187
[2015 Assembly Bill 678]

**Department of Employee Trust
Funds Remedial Legislation**

2015 Wisconsin Act 187 is remedial legislation, introduced by the Joint Legislative Council's Law Revision Committee at the request of the Department of Employee Trust Funds (ETF).

Act 187 made the following changes:

- A qualified domestic relations order (QDRO) is a judgment, decree, or order issued by a court pursuant to a domestic relations law of any U.S. state or territory that meets certain criteria. One requirement of a QDRO is that the determination of an alternate payee share may not require benefits to be paid to the alternate payee if those benefits are also required to be paid to another alternate payee. The Act clarified that a determination of the alternate payee share in a QDRO may not require benefits to be paid to the alternate payee if a court has also required those benefits to be paid to another alternate payee under another QDRO.
- Authorized the Secretary of Employee Trust Funds to implement any payment processing system to pay moneys owing to any person under benefit plans administered by ETF.
- Eliminated the procedure required to be used to distribute the balance of the transaction amortization account and eliminated the requirement that ETF close the transaction amortization account after the entire balance has been distributed. The transaction amortization account has been closed under this procedure.
- Eliminated a provision that delays the effective date of an employer's inclusion in the Wisconsin Retirement System (WRS). Prior law provided that if an employer elected to join the WRS and ETF received the application on or before November 15, the effective date of inclusion was the ensuing January 1. If the application was received

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.wisconsin.gov>.

after November 15, the effective date of inclusion was the January 1 after the ensuing January 1.

- Eliminated a procedure that allowed the governing body of a federated public library system whose territory was within a single county with a population of 500,000 to become a WRS participating employer if the governing body adopts a resolution. Prior law provided that if this procedure was followed, the resolution's effective date must have been June 1, 1994.
- Eliminated a requirement that a participant in the WRS must be separated from WRS-covered employment for at least 30 days to qualify for an annuity under the WRS. Other WRS provisions prohibit a participant from receiving an annuity if the individual returns to covered employment within 75 days after terminating employment.
- Eliminated a requirement under the WRS that ETF must reject any application for an annuity that is filed more than 90 days before the employee's termination date.
- Removed cross-references that are either unnecessary or inapplicable regarding memorandum accounts and the Division of Employee Benefits.
- Amended certain provisions relating to WRS annuitants reentering employment as a WRS participating employee. Under prior law, when a WRS annuitant reentered employment as a WRS participating employee, the original annuity was suspended and a new account was created for any subsequent period of employment as a WRS participating employee. The amount of the annuity payments which would have been paid under the suspended annuity was credited to a memorandum account. The subsequent retirement account included any amounts in the memorandum account, interest, and any contributions made and creditable service earned during the subsequent period of employment. Upon subsequent retirement, the suspended annuity was reinstated and the subsequent annuity was computed as an original annuity. Act 187 provided the following:
 - The amounts in a memorandum account are not included in a subsequent retirement account.
 - Upon subsequent retirement, any amounts in a memorandum account are included in the suspended annuity.
 - The subsequent annuity is computed as an original annuity upon application from the annuitant, as opposed to automatically upon subsequent retirement.

Effective date: Act 187 took effect on March 2, 2016.

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