AN ACT to repeal 40.23 (1) (c); and to amend 40.05 (5) (a), 40.22 (2) (am), 40.22
(2r) (intro.), 40.23 (1) (am) 2., 40.23 (1) (d) and 40.70 (8) of the statutes; relating
to: various changes to the Wisconsin Retirement System, cancelling coverage
under the Wisconsin Public Employers Group Life Insurance Program, and
income continuation insurance premiums for certain teachers employed by the
University of Wisconsin System (suggested as remedial legislation by the
Department of Employee Trust Funds).

Analysis by the Legislative Reference Bureau

This bill clarifies that an employee who was not participating in the Wisconsin Retirement System before July 1, 2011, and who is not expected to work at least two-thirds of full-time employment generally may not participate in WRS. Under current law, the standard that applies is whether the employee was initially employed on that date by an employer that participates in WRS.

The bill eliminates the prohibition against the Department of Employee Trust Funds accepting an application for a retirement annuity that specifies an annuity effective date that is more than 60 days after the date on which the application is received.

The bill allows a protective occupation participant in WRS who is at least 50 years of age, which is the minimum retirement age for a protective occupation
participant, and who is also a part-time elected official to waive further participation in WRS for his or her current and future service as a part-time elected official, after he or she terminates all of his or her other covered employment. The waiver allows the protective occupation participant to receive a retirement benefit while he or she is serving as a part-time elected official. Under current law, a WRS participant who is at least 55 years of age, which is the minimum retirement age for a participant who is not a protective occupation participant, and who is also a part-time elected official is allowed to waive participation in WRS for his or her current and future service as a part-time elected official after he or she terminates all of his or her other covered employment.

The bill eliminates the requirement that a form to cancel coverage under the Wisconsin Public Employers Group Life Insurance Program takes effect at the end of the calendar month that begins after the form is received from an insured employee.

Under current law, the Board of Regents of the University of Wisconsin System pays the gross premium for income continuation insurance coverage for teachers employed by UW System who have more than one year of state service, subject to a 130-day waiting period. This bill changes the waiting period from 130 days to 180 days.

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

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. and 5., 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. 40.05 (5) (a) of the statutes is amended to read:

40.05 (5) (a) For teachers employed by the board of regents of the university, no contribution if the teacher has less than one year of state creditable service and an amount equal to the gross premium for coverage subject to a 130-day waiting period if the teacher has one year or more of state creditable service.

Note: This Section changes the waiting period from 130 days to 180 days before the Board of Regents pays the gross premium for income continuation insurance coverage for teachers who have more than one year of state service.

Section 2. 40.22 (2) (am) of the statutes is amended to read:
40.22 (2) (am) Except as provided in sub. (2r), the employee was initially employed by not a participating employer on or after employee before July 1, 2011, and is not expected to work at least two-thirds of what is considered full-time employment by the department, as determined by rule.

SECTION 3. 40.22 (2r) (intro.) of the statutes is amended to read:

40.22 (2r) (intro.) An employee who was initially employed by not a participating employer on or after employee before July 1, 2011, who is not expected to work at least two-thirds of what is considered full-time employment by the department, as determined by rule, and who is not otherwise excluded under sub. (2) from becoming a participating employee shall become a participating employee if he or she is subsequently employed by the state agency or other participating employer for either of the following periods:

NOTE: Sections 2 and 3 clarify that, with certain exceptions, an employee may not participate in the Wisconsin Retirement System (WRS) if he or she was not a participating employee in the WRS before July 1, 2011, and is not expected to work at least two-thirds of what is considered full-time employment.

SECTION 4. 40.23 (1) (am) 2. of the statutes is amended to read:

40.23 (1) (am) 2. Any participant who has attained age 55 and who is a participant because of employment other than part-time service as an elected official and who is also a participating employee because of part-time service as an elected official and any protective occupation participant who has attained age 50 and who is also a participating employee because of part-time service as an elected official may, after termination of all covered employment other than service as a part-time elected official, waive further participation under the fund for his or her current, and any future, part-time service as an elected official. Any election under this paragraph is irrevocable and is effective beginning the day after the date of election. Notwithstanding par. (a), any participant who elects under this paragraph may
receive a retirement annuity for all service under the fund credited to the participant
to the date he or she elects. The date a participant elects under this paragraph is
deemed to be the date of separation from the last participating employer by which
that participant was employed.

NOTE: Under current law, the minimum retirement age for a Wisconsin Retirement
System participant is 55 years of age, except that the minimum retirement age for a
protective occupation participant is 50 years of age. Current law allows a WRS participant who is at least 55 years old to receive a retirement benefit while serving as a part-time elected official. This Section allows a protective occupation participant who is at least 50 years old to receive a retirement benefit while serving as a part-time elected official.

SECTION 5. 40.23 (1) (c) of the statutes is repealed.

SECTION 6. 40.23 (1) (d) of the statutes is amended to read:

40.23 (1) (d) Notwithstanding par. (c), an An application for an annuity to be
effective on the day following termination of employment may be filed prior to the
employee’s anticipated termination date. The participant shall state the anticipated
termination date shall be stated in the application and the department shall not
make an annuity payment until the employee has terminated.

NOTE: Sections 5 and 6 eliminate the general prohibition against the Department
of Employee Trust Funds accepting an application for a retirement annuity that specifies
an effective date more than 60 days after the application is received by the department.

SECTION 7. 40.70 (8) of the statutes is amended to read:

40.70 (8) An insured employee may at any time cancel one or more of the types
of life insurance coverage provided under this subchapter by filing a cancellation
form with the employing office his or her employer. The cancellation form shall be
transmitted immediately to the department. The cancellation shall be effective and
the insurance shall cease at the end of the calendar month which begins after the
cancellation form is received by the appropriate office.

NOTE: This Section eliminates the requirement that a form to cancel an insured
employee’s coverage under the Wisconsin Public Employers Group Life Insurance
Program takes effect at the end of the calendar month that begins after the form is received.

**SECTION 8. Initial applicability.**

(1) **Life Insurance Coverage Cancellations.** The treatment of section 40.70 (8) of the statutes first applies to cancellation forms received on the first day of the first month beginning after the effective date of this subsection.

(END)