

Order of the Employee Trust Funds Board Repealing and Recreating Rules

Pursuant to authority vested in the Employee Trust Funds Board by section 40.84 (3) and Chapter 227, Wisconsin Statutes, the Board adopts the following:

Chapter ETF 2 of the WISCONSIN ADMINISTRATIVE CODE is repealed and recreated to read:

Chapter ETF 2

Intrastate Retirement Reciprocity

ETF 2.01 Authorization. Pursuant to the authority granted by s. 40.84 (3), Wis. Stats., the board promulgates this Chapter ETF 2 for the purpose of assuring compliance with the legislative intent to encourage career public service through a program of intrastate retirement reciprocity, by permitting earnings and service under two or more retirement programs to be used or combined for retirement, disability and death benefit computation and eligibility purposes under each retirement program.

ETF 2.02 Eligibility. (1) This chapter applies only to persons:

- (a) Who have some creditable service after November 29, 1973 under at least one retirement program.
- (b) Whose creditable service under all retirement programs has terminated.
- (c) Who have at least three years of creditable service under one program when computing benefits pursuant to this chapter exclusive of any creditable service granted for military service. This requirement shall not apply, however, for purposes of establishing eligibility for a disability or death benefit.
- (d) Who apply to have benefits begin simultaneously under all retirement programs but any application submitted within 90 days of another application, or any annuity which begins within 60 days of another annuity beginning date, shall be considered to meet this requirement.

(2) This chapter applies only to service:

- (a) Which is continuous between retirement programs but any interruption of such service which lasts less than three full calendar years shall not be considered to break the continuity of such service. Creditable service granted for military service shall not be considered in determining whether such an interruption has occurred.
- (b) Under a retirement program which is subsequent to the date any separation or withdrawal benefit or annuity is paid by that retirement program.

(c) Which when added to any creditable service granted for the same time period under any other retirement program would not exceed full-time creditable service for such time period. Any adjustment of service credits required to meet this requirement shall be made on the service credit of the retirement program which will have an increase in the benefit payable due to application of this chapter or, if two retirement programs would have such an increase then the adjustment should be made in the creditable service of the retirement program with the smaller increase.

(d) In the active service of the armed forces of the United States if credit for military service has not been included in the creditable service of another retirement program and which would be eligible for inclusion if the benefit were not being computed pursuant to this chapter. If a person has been granted creditable service for military service by two or more retirement programs, such creditable service shall be included, for purposes of this chapter, only in the creditable service of the retirement program for which such service was first granted.

ETF 2.03 Basis of benefit computations (1) The monthly rate of earnings to be applied to the appropriate formula computations under each retirement program shall be the highest of the following rates, determined on the basis of 36 months, regardless of the number of months of actual creditable service during the three highest years of earnings:

- (a) Formula final rate of earnings determined under s. 41.02 (21) (c), Wis. Stats.; or,
- (b) Final average compensation determined under s. 42.20 (26) (c), Wis. Stats.; or
- (c) Final average compensation determined under s. 42.70 (2) (v), Wis. Stats.

(2) The creditable service to be applied to the appropriate formula computations under each retirement program shall be all of the service which meets the requirements of this chapter.

(3) The formula to be applied shall be the formula in effect for each type of service under each retirement program on the latest date for which such person received creditable service under any retirement program.

(4) The estimated primary social security benefit shall be based on the combined covered earnings of all retirement programs.

(5) The limitation of a disability annuity to 50% and of the combined primary social security benefit and normal form retirement annuity to 80% of earnings shall be based on the monthly rate of earnings determined pursuant to this chapter. If such a limitation applies, the required adjustment shall be made in the benefit payable by the retirement program which will pay an increased benefit amount due to application of this chapter. If two retirement programs would have an increased benefit under reciprocity, in the absence of the limitations, then the reduction should first be applied to the retirement program which experienced the smaller increase and applied to the second retirement program only if the amounts payable from all programs still exceed the limits.


(6) If creditable service under two or more retirement programs is combined to establish eligibility for a disability benefit, or an individual otherwise qualified under this chapter for a disability benefit from two or more retirement programs, each retirement program shall compute and pay a disability benefit but only the retirement program under which the person was last covered shall include in creditable service assumed service after the date the disability occurred. In such cases, the retirement program under which the person was last covered shall make a determination that the person is or is not disabled and such determination shall control for both retirement programs. If the person had simultaneous coverage under two or more retirement programs at the time the disability occurred, only the retirement program under which the person had the most creditable service shall include such assumed service in the creditable service computation and the determination of disability shall also be made by that retirement program.

(7) The annuity computed pursuant to this chapter for each retirement program shall be in lieu of any other benefit payable by that retirement program and shall not begin before the employee's creditable service has terminated under all retirement programs, provided that the monthly amount of such annuity shall not be less than the annuity which would have been payable by that retirement program if this chapter did not apply.

The rule contained herein shall take effect as provided in s. 227.026 (1) (intro.).

Dated, April 28, 1976

Employee Trust Funds



Gary I. Gates, Secretary