

CR 82-26

CERTIFICATE

STATE OF WISCONSIN )  
 ) SS  
DEPARTMENT OF EMPLOYE TRUST FUNDS )

**RECEIVED**

MAY 5 1982

1:20 pm  
MAY 5 1982

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Gary I. Gates, Secretary of the Department of Employee Trust Funds, and custodian of the official records of said department do hereby certify that the annexed rules relating to the reestablishment of creditable service forfeited by employees under the Wisconsin Retirement System were duly approved and adopted by the Wisconsin Retirement Board on March 25, 1982, the Employee Trust Funds Board on March 26, 1982, and the Teachers Retirement Board on March 27, 1982.

I further certify that this copy has been compared by me with the original on file in this department and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto set my hand at 201 East Washington Avenue, in the City of Madison, this 4 day of May, 1982.

Gary I. Gates  
Gary I. Gates, Secretary  
Department of Employee Trust Funds

ORDER OF THE DEPARTMENT OF EMPLOYE TRUST FUNDS  
ADOPTING RULES

To create ETF 1.01 (9) and Chapter ETF 9 relating to the reestablishment of creditable service forfeited by employes under the Wisconsin Retirement System.

**RECEIVED**

**MAY 5 1982**

**Revisor of Statutes  
Bureau**

---

Analysis Prepared by the Department of Employee Trust Funds

Chapter 96, Laws of 1981, provides that a participating employe may reestablish creditable service for prior employment which was previously forfeited after receipt of a separation benefit. These rules establish the earnings to be used and the computation to determine the total required payment and sets forth the procedure to be followed as required by s. 40.03 (2) (i). Stats.

These rules implement the provisions of s. 40.25 (6), Stats.

---

Pursuant to authority vested in the Department of Employee Trust Funds by s. 40.03

(2) (i), Stats., as created by Chapter 96, Laws of 1981, the Department of Employee Trust Funds hereby adopts rules implementing s. 40.25 (6) (a) 4, Stats., as created by Chapter 96, Laws of 1981, as follows:

SECTION 1. S. ETF 1.01 (9) of the Wisconsin Administrative Code is created to read:

(9) "Earnings in effect at the time of application" as set forth in s. 40.25 (6) (a) 4, Stats., means the final average earnings which would be determined under s. 40.02 (33), Stats., if the person had applied for an annuity to be effective on the date of application to reestablish the forfeited service based on earnings and creditable service prior to that date and including any earnings and creditable service being reestablished.

SECTION 2. Chapter ETF 9 of the Wisconsin Administrative Code is created to read:

ETF 9

Creditable Service

ETF 9.01 COMPUTATION FOR REESTABLISHMENT OF CREDITABLE SERVICE FORFEITED.

(1) The payment to reestablish creditable service as provided in s. 40.25 (6), Stats., shall be based on the earnings in effect at the time of application multiplied by 12 times the creditable service to be reestablished and the participating employe's statutory contribution on earnings under s. 40.05 (1) (a), Stats. In cases where the service to be reestablished was earned in more than one employment category separate calculations shall be done for each period of service using the statutory contribution under s. 40.05 (1) (a), Stats., for each employment category.

(2) Upon making application, the amount payable shall be due within 30 days from the date of the notice by the department of the amount due or, if the creditable service being reestablished exceeds two years, may be divided into five equal annual installments to be received by the department on or before December 31, beginning with the December 31 following the date the application is received by the department. Interest shall be added to each installment after the first installment at the fixed effective rate as defined in s. 40.02 (23) and shall be paid in full each year on the unpaid principal balance remaining on the prior January 1. The participant may prepay any or all installments at the same time the regular annual installment is due. Any unpaid balance including interest on that balance to the next regular installment date which is due at the time any benefit application is received shall be paid prior to approval of the benefit application. Failure to pay the installments as due shall result in notification

by the department of the past due installment. If within 30 days from the date of such notification, the past due amount is not received, all amounts previously paid plus any interest credited to the amounts shall be refunded and the application to reestablish the forfeited service shall be cancelled.

(3) Application to reestablish credits under s. 40.25 (6), Stats., shall be accepted only once for a participant unless the participant receives a subsequent separation benefit and reapplies under the provisions of s. 40.25 (6), Stats.

ETF 9.02 CREDIT FOR SERVICE DURING QUALIFYING PERIOD. (1) If a participating employe has previously received a separation benefit, and the employe has reestablished the maximum possible forfeited creditable service under s. 40.25 (6), Stats., the employe may receive credit for service during any qualifying period if otherwise eligible under s. 40.02 (17) (b), Stats.

NOTE: Chapter ETF 9 requires a new form. This form is available at no charge by contacting the department of employe trust funds. Chapter 40, 41 and 42, Stats., as they existed on December 31, 1982, were repealed and a new Ch. 40 was created effective January 1, 1982, by Ch. 96, Laws of 1981.

The rules contained in this order shall take effect as provided in s. 227.026 (1) (intro.), Stats.

May 4, 1982  
Date

Gary I. Gates  
Gary I. Gates, Secretary  
Department of Employe Trust Funds

ORIGINAL       UPDATED  
 CORRECTED       SUPPLEMENTAL

~~XXXXXXXXXX~~ Adm. Rule No.  
ETF 9 & ETF 1.01(9)  
Amendment No. if Applicable

Subject

Computation to reestablish creditable service forfeited.

Fiscal Effect

State:  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation  
or affects a sum sufficient appropriation.

- Increase Existing Appropriation       Increase Existing Revenues
- Decrease Existing Appropriation       Decrease Existing Revenues
- Create New Appropriation

- Increase Costs -- May Be Possible to Absorb  
Within Agency's Budget       Yes       No
- Decrease Costs

Local:  No local government costs

- 1.  Increase Costs  
 Permissive       Mandatory
- 2.  Decrease Costs  
 Permissive       Mandatory

- 3.  Increase Revenues  
 Permissive       Mandatory
- 4.  Decrease Revenues  
 Permissive       Mandatory

5. Types of Local Governmental Units Affected:
- Towns       Villages       Cities
  - Counties       Others \_\_\_\_\_

Fund Sources Affected

- GPR       FED       PRO       PRS       SEG       SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

This rule clarifies which earnings will be used in the computation to reestablish creditable service previously forfeited. It also sets forth the procedure for reestablishing such credit as required by s. 40.25 (6) (f). As such this rule does not represent any change in policy. No state or local funds will be affected and we anticipate no fiscal effect.

Long-Range Fiscal Implications

Agency

Department of Employee Trust Funds

Authorized Signature/Telephone No.

*Lionel M. Bass*      266-5804

Date

2-1-82

FISCAL ESTIMATE WORKSHEET

1981 Session

Detailed Estimate of Annual Fiscal Effect  
AD-MBA-22 (Rev. 11/80)

ORIGINAL  UPDATED  
 CORRECTED  SUPPLEMENTAL

~~XXXXXXXXXX~~ Adm. Rule No.  
ETF 9 & ETF 1.01 (9)

Amendment No.

Subject

Computation to reestablish creditable service forfeited.

I. One-time Costs or Revenue Fluctuations for State and/or Local Government (do not include in annualized fiscal effect):

None

II. Annualized Costs: Note: Treat fiscal costs like a "checkbook": increased costs reduce available funds (-); decreased costs increase available funds (+).

Annualized Costs	Annualized fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>		
Salaries and Fringes	\$ -	\$ +
Staff Support Costs	-	+
Other State Costs	-	+
Local Assistance	-	+
Aids to Individuals or Organizations	-	+
<b>TOTAL State Costs by Category</b>	\$ - 0	\$ + 0
<b>B. State Costs by Source of Funds</b>		
GPR	\$ -	\$ +
FED	-	+
PRO/PRS	-	+
SEG SEG-S	-	+
<b>C. FTE Position Changes</b>	Increased Pos. + ( 0 )	Decreased Pos. - ( 0 )
<b>III. State Revenues</b> -Complete this only when proposal will increase or decrease state revenues, such as taxes, license fees, etc.	Decreased Rev.	Increased Rev.
GPR Taxes	\$ -	\$ +
GPR Earned	-	+
FED	-	+
PRO/PRS	-	+
SEG/SEG-S	-	+
<b>TOTAL State Revenues</b>	\$ - 0	\$ + 0

Net Annualized Fiscal Impact on State & Local Funds

State	Annual Increases	Annual Decreases	Local	Annual Increases	Annual Decreases
Total Costs	\$ -	\$ +	Total Costs	\$ -	\$ +
Total Revenues	+	-	Total Revenues	+	-
<b>NET Impact on State Funds</b>	\$ (+) or (-)	<b>NONE</b>	<b>NET Impact on Local Funds</b>	\$ (+) or (-)	<b>NONE</b>

Agency

Department of Employee Trust Funds

Authorized Signature/Telephone No.

*James H. Bass* 266-5804

Date

2-1-82