

CR 82-147

CERTIFICATE

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

RECEIVED
OCT 11 1982
Revisor of Statutes
Bureau

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 do hereby certify that the annexed rules and repeal of rules relating to optional forms of annuity were duly approved by the Employee Trust Funds, Teachers Retirement, and Wisconsin Retirement Boards and adopted by this department on October 1, 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 copy therefore, and of the whole of such original.

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

Gary I. Gates
Gary I. Gates, Secretary *DMH, Deputy*
Department of Employee Trust Funds

ORDER OF THE DEPARTMENT OF EMPLOYE TRUST FUNDS
REPEALING, RENUMBERING, AMENDING AND ADOPTING RULES

To repeal s. ETF 6.02, to renumber and amend s. ETF 7.02 and to create ss. ETF 20.04 and ETF 20.05 (2) relating to optional forms of annuity.

Analysis Prepared by the Department of Employee Trust Funds

Chapter 96, Laws of 1981, merged the Wisconsin retirement fund, state teachers retirement system and Milwaukee teachers retirement fund into the Wisconsin retirement system effective January 1, 1982. Section ETF 6.02 provided for non-statutory annuity options, which, except for a few infrequently used options, are now provided for by equivalent options in s. 40.24, Stats., as created by ch. 96, Laws of 1981. One of the options under s. ETF 6.02, which was previously available only to members of the state teachers retirement system, is being extended to all eligible participants of the Wisconsin retirement system. Section ETF 7.02 pertains to eligibility for an annuity integrated with social security and an annuity beginning prior to the normal retirement date of the participant. References to sections in ch. ETF 20 contemplate the creation of ch. ETF 20 by the promulgation of another rule prior to the promulgation of this rule. This order standardizes annuity options for all participants, eliminates rules which duplicate the statutes, specifies whose primary social security benefit will be used for a social security integrated beneficiary annuity, updates rules to reflect changes in statutory language and references and reorganizes some of the rules to correspond to the organization of chapter 40, Stats., as created by ch. 96, Laws of 1981.

These rules relate to and interpret ss. 40.03 (2) (k), 40.23 (2) (d), 40.24, and 40.73 (3) (a), Stats., as created by ch. 96, Laws of 1981.

Pursuant to authority vested in the Department of Employee Trust Funds by s. 40.03 (2) (i), Stats., as created by ch. 96, Laws of 1981, the Department of Employee Trust Funds hereby repeals, renumbers, amends and creates rules interpreting ss. 40.03 (2) (k), 40.23 (2) (d), 40.24, and 40.73 (3) (a), Stats., as created by chapter 96, Laws of 1981, as follows:

SECTION 1. Section ETF 6.02 is repealed.

SECTION 2. Section ETF 7.02 (1) is renumbered s. ETF 20.05 (1) and as renumbered is amended to read:

ETF 20.05 ANNUITY OPTIONS INTEGRATED WITH SOCIAL SECURITY. (1) ~~For purposes of computing the social security integrated annuity, the estimated primary social security benefit at age 62 shall be determined in accordance with section 7.06 of this chapter.~~ ~~An employe~~ A participant or beneficiary shall not be eligible for the social security integrated annuity if the reduced annuity payable for life under ~~ss. 41.11 (7) (d), 42.242 (2), and 42.73 (6)~~ s. 40.24 (4), Stats., or s. ETF 20.04 would be less than \$25.00 per month for a benefit with an effective date in calendar year 1982 or, for a benefit with an effective date in a subsequent calendar year, the monthly amount applied under this section for the previous calendar year increased by the salary index, as defined in s. 40.02 (52), Stats., ignoring fractions of the dollar.

SECTION 3. Section ETF 7.02 (2) is renumbered s. ETF 20.06 and as renumbered the title is created to read:

ETF 20.06 EARLY RETIREMENT REDUCTION FACTORS.

SECTION 4. Section ETF 20.04 is created to read:

ETF 20.04 OPTIONAL FORMS OF ANNUITY. Pursuant to s. 40.24, Stats., a participant may elect one of the optional annuity forms prescribed in sub. (1) or (2) in lieu of a statutory option:

(1) A joint survivorship annuity with payments reduced 25% upon the death of the participant or the one beneficiary who was designated by the participant in the original application for an annuity.

(2) An annuity payable under sub. (1) plus a social security integrated annuity as determined under s. 40.24 (4), Stats.

SECTION 5. Section ETF 20.05 (2) is created to read:

(2) Pursuant to s. 40.03 (2) (k), Stats., the department will assume that the primary OASDHI benefit, as defined in s. 40.02 (44), Stats., for a person eligible to receive a beneficiary annuity and selecting an option payable under s. 40.24 (4), Stats., will be based on the work record of the participant from whose account the benefit is being paid.

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

Oct. 4, 1982

Date

Gary I. Gates

Gary I. Gates, Secretary
Department of Employee Trust Funds

AMW, Deputy

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.
ETF 6.02 & ETF 7.02
Amendment No. if Applicable

Subject
Optional annuities and early retirement reduction factors.

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

The repeal of s. ETF 6.02 is partially a housekeeping type of action to eliminate annuity options now covered by statute and 2 seldomly used options. Any administrative savings from the repeal of these additional options is indeterminable because of the small number of participants who choose them.

The amendment to s. ETF 7.02 corrects the statutory references which have changed as a result of the enactment of Chapter 96, Laws of 1981, and the rule is renumbered to correspond more closely to the organization of Ch. 40 as created by Ch. 96, Laws of 1981.

The creation of s. ETF 20.04 extends an annuity option to all eligible participants of the Wisconsin Retirement System which was previously available to teachers only under s. ETF 6.02 (2) (b).

The creation of s. ETF 20.05 (2) clarifies whose primary Social Security benefit will be used when a beneficiary chooses a Social Security integrated option.

We expect there will be no fiscal effect.

Long-Range Fiscal Implications

None

Agency

Department of Employee Trust Funds

Authorized Signature/Telephone No.

Deane M. Bass 266-5804

Date

7-15-82

FISCAL ESTIMATE WORKSHEET

1981 Session

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

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.
ETF 6.02 & ETF 7.02

Amendment No.

Subject

Optional annuities and early retirement reduction factors.

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

II. Annualized Costs: Note: Treat fiscal costs like a "checkbook": increased costs reduce available funds (-); decreased costs increase available funds (+).	Annualized fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
Salaries and Fringes	\$ --	\$ +
Staff Support Costs	-	+
Other State Costs	-	+
Local Assistance	-	+
Aids to Individuals or Organizations	-	+
TOTAL State Costs by Category	\$ - 0	\$ + 0
B. State Costs by Source of Funds		
GPR	\$ -	\$ +
FED	-	+
PRO/PRS	-	+
SEG/SEG-S	-	+
C. FTE Position Changes	Increased Pos. + (0)	Decreased Pos. - (0)
III. State Revenues-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	-	+
TOTAL State Revenues	\$ - 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	+	-
NET Impact on State Funds	\$ (+) or (-)	NONE	NET Impact on Local Funds	\$ (+) or (-)	NONE

Agency

Department of Employee Trust Funds

Authorized Signature/Telephone No.

Suzanne M. Ross 266-5804

Date

7-15-82



State of Wisconsin \ DEPARTMENT OF EMPLOYEE TRUST FUNDS

Gary I. Gates
Secretary

October 1, 1982

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MADISON, WISCONSIN 53702
TELEPHONE 266-3285
AREA CODE 608

Gary Poulson, Assistant
Revisor of Statutes
411 West, State Capitol
Madison, WI 53702

IN REPLY REFER TO:

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OCT 1 1 1982

Revisor of Statutes
Bureau

Dear Gary

Re Clearinghouse Rule #82-147

Enclosed is a Certificate and two copies of an Order Repealing, Runumbering, Amending and Adopting Rules. A certified copy of this order has also been forwarded to the Secretary of State.

Sincerely

Diane M. Bass
Board Coordinator
(608) 266-5804

DMB/maj 5/b7