

CR 86-226

CERTIFICATE

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

RECEIVED

APR 14 1987
10:05am
Revisor of Statutes
Bureau

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Gary I. Gates, Secretary of the Department of Employe Trust Funds, and custodian of the official records do hereby certify that the annexed renumbering, amending and creation of rules relating to retirement options available under the Wisconsin Retirement System, were duly approved by the Employe Trust Funds, Teachers Retirement and Wisconsin Retirement Boards and adopted by this department on April 9, 1987.

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 originals.

IN TESTIMONY WHEREOF, I have hereunto set by hand at 201 East Washington Avenue, in the City of Madison, this 10th day of April, 1987.

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

11-1-87

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

To renumber and amend ETF 20.04 (2); to amend ETF 20.04 (intro.); and to create ETF 20.04 (2), relating to retirement options available under the Wisconsin Retirement System.

Analysis Prepared by the Department of Employee Trust Funds

This rule order is in response to participant requests for an additional retirement option which would continue benefits for life to the one beneficiary (joint survivor) named by the participant with a guarantee that at least 180 monthly payments will be made from a participant's account. This allows the participant to name a secondary beneficiary, usually a child, who will receive the balance of the guaranteed payments in the event that both the participant and his or her joint survivor, usually the spouse, die prior to receiving a total of 180 monthly payments.

A similar option was offered to teachers in the past, but discontinued when the Teachers Retirement System and Wisconsin Retirement Fund merged into the Wisconsin Retirement System in 1982.

All current retirement options are also available with a Social Security integrated annuity. Thus the renumbering and amending of ETF 10.04 (2) is necessary to offer the newly proposed option in conjunction with a Social Security annuity.

Small businesses are not affected by these rules.

These rules interpret s. 40.24, Stats., and will be adopted pursuant to the authority vested in the Secretary of the Department of Employee Trust Funds by s. 40.03 (2) (i), Stats.

Pursuant to the authority vested in the secretary of the department of employee trust funds by s. 40.03 (2) (i), Stats., the department of employee trust funds hereby renumbers and amends, amends and creates rules interpreting s. 40.24, Stats., as follows:

SECTION 1. ETF 20.04 (intro.) is amended 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)~~ this section in lieu of ~~a statutory~~ an option prescribed under s. 40.24, Stats.:

SECTION 2. ETF 20.04 (2) is renumbered ETF 20.04 (3) and as renumbered is amended to read:

ETF 20.04 (3) An annuity payable under sub. (1) or (2) plus a social security integrated annuity as determined under s. 40.24 (4), Stats.

SECTION 3. ETF 20.04 (2) is created to read:

ETF 20.04 (2) (a) A joint survivorship annuity payable for the life of the annuitant, with a guarantee period of at least 180 monthly payments, and after the death of the annuitant continued at 100% for the life of the one beneficiary who was designated by the participant as the joint survivor in the original application for the annuity.

(b) The participant may name a secondary beneficiary or beneficiaries to receive the balance of payments due in the event of the death of both the participant and named joint survivor before 180 monthly payments have been made.

(c) The participant, or in the event of the death of the participant, the named joint survivor, may at any time change the designation of the secondary beneficiary.

(d) In the event of the death of the joint survivor who is receiving continued benefits after the death of the participant, but prior to payment of 180 monthly benefits, the remainder of the 180 monthly payments shall continue to the secondary beneficiary, or in the absence of a secondary beneficiary or the death of the secondary beneficiary prior to the death of the joint survivor, payment shall be made under the joint survivor's standard sequence as set forth in s. 40.02 (8) (a) 2, Stats.

(e) In the event of the death of the joint survivor prior to the death of the participant, the remainder of the 180 monthly payments shall continue to the secondary beneficiary, or in the absence of a secondary beneficiary designation or the death of the secondary beneficiary prior to the death of the participant, payment shall be made under the participant's standard sequence as set forth in s. 40.02 (8) (a) 2, Stats.

(f) In the event of the death of the secondary beneficiary after becoming entitled to receive monthly payments but before receipt of the remainder of the guaranteed 180 monthly payments, the then present value of the annuity shall be paid, in lieu of the continuation of monthly payments, pursuant to s. 40.73 (2) (b) 3, Stats., as a death benefit to the secondary beneficiary's named beneficiary, or in the absence of a beneficiary designation or the death of the secondary beneficiary's named beneficiary prior to the death of the secondary beneficiary, the then present value of the annuity shall be paid under the secondary beneficiary's standard sequence as set forth in s. 40.02 (8) (a) 2, Stats.

(g) In the event of the death of both the joint survivor and secondary beneficiary prior to being entitled to receive benefits, the remaining monthly payments shall continue pursuant to the participant's standard sequence as set forth under s. 40.02 (8) (a) 2, Stats., if the participant's death occurs before 180 monthly payments have been made.

The rules contained in this order shall take effect on November 1, 1987 as provided in s. 227.22 (2) (b), Stats., as renumbered by 1985 Wisconsin Act 182.

April 10, 1987
Date

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

FISCAL ESTIMATE WORKSHEET

1985 Session

Detailed Estimate of Annual Fiscal Effect
AD-MBA-22 (Rev. 11/84)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB-84-11-Adm, Rule No.
ETF 20.04

Amendment No.

Subject: **Annuity options under the Wisconsin Retirement System**

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 fiscal impact on State funds from:	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	\$ (+)	None	NET Impact on Local Funds	\$ (+)	None

Agency/Prepared by: (Name & Phone No.)

Diane M. Bass 266-5804
Department of Employee Trust Funds

Authorized Signature/Telephone No.

Diane M. Bass 266-5804

Date

10/29/86

FISCAL ESTIMATE

AD-MBA-23 (Rev. 11/84)

LRB or Bill No./Adm. Rule No.

ETF 20.04

Amendment No. if Applicable

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

Subject
Annuity options under the Wisconsin Retirement System

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 proposed rule order makes a new annuity option available to Wisconsin Retirement System participants. Although several brochures and forms used by the Department of Employee Trust Funds will require revision, the effective date of the rule is being set to coincide with the reprinting of the materials. As such, we expect this rule order to have no fiscal effect.

Long-Range Fiscal Implications

None

Agency/Prepared by: (Name & Phone No.)

Diane M. Bass 266-5804
Department of Employee Trust Funds

Authorized Signature/Telephone No.

Diane M. Bass 266-5804

Date

10/29/86



State of Wisconsin \ DEPARTMENT OF EMPLOYE TRUST FUNDS

Gary I. Gates
Secretary

201 EAST WASHINGTON AVENUE
P.O. BOX 7931
MADISON, WISCONSIN 53707

April 10, 1987

IN REPLY REFER TO:

Gary Poulson
Assistant Revisor of Statutes
Suite 904, 30 West Mifflin St.
Madison, WI 53703

RECEIVED

APR 14 1987

Revisor of Statutes
Bureau

Dear Gary:

RE: Clearinghouse Rule No. 86-226

Enclosed is a Certificate and two copies of an Order Renumbering, Amending and Adopting Rules.

A certified copy of this Order has been forwarded to the Secretary of State.

Please note that although we would like to have these rules published immediately, they have a delayed effective date of November 1, 1987.

Sincerely,

Diane M. Bass
Policy Analyst
(608) 266-5804

DMB/ep TH24
Enclosures