

## Chapter ETF 10

## ADMINISTRATION

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ETF 10.01 Definitions. Words, phrases, and terms used in all ETF chapters which are not defined in this section shall have the meaning set forth in s. 40.02, Stats.:

(1) "Contract" means, for life insurance purposes, the contract for group life insurance, including any riders, entered into with an insurer under s. 40.03 (6) (a) 1 and (b), Stats.

(2) "Dependent" means, for life insurance purposes, an employe's spouse, unmarried child, including stepchild and adopted child, who is dependent upon the employe for at least 50% of support and maintenance and who is:

(a) More than 14 days of age, but under the age of 19,

(b) Between the ages of 19 and 25 if a full-time student, or

(c) Age 19 or older and incapable of self-support on account of a physical or mental disability which can be expected to be of long-continued or indefinite duration.

(3) "Employee", for spouse and dependent life insurance purposes, means an employe as set forth in s. 40.02 (26) who is insured in the group life insurance plan under s. 40.70, Stats., and the rules of the department.

(3h) "Inactive participant" means, for purposes of the teachers retirement board election under s. ETF 10.10, a participant who is neither a participating employe, as defined in s. 40.02 (46), Stats., nor an annuitant as defined in s. 40.02 (4), Stats.

(3m) "Medical record" includes medical evaluation, diagnosis, prognosis, rehabilitation potential, medication, treatment, diet, limitations on activities, symptoms, general physical or mental condition, x-rays, lab tests or results, or any communication or information related to the health, medical, surgical, dental, optometric, chiropractic, podiatric or hospital care or condition of a participant or the spouse or dependent of the participant.

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(3s) "Public school" means, for purposes of s. 15.165 (3) (a) 1, Stats., a cooperative educational service agency established under ch. 116, Stats., a county handicapped children's education board established under s. 115.86, Stats., and any school supported wholly or in part by public funds which is under the control and management of the state of Wisconsin or any subdivision of the state of Wisconsin and which is empowered by law to employ teachers; but does not mean the university of Wisconsin system, any school in the city of Milwaukee, a state agency or a vocational, technical and adult education district.

(3w) "Salary index" means, for purposes of s. 40.26, Stats., for years prior to 1982, 5%.

(4) "School system" includes, for life insurance purposes, any public entity whose primary purpose is education.

(4m) "School year" means, for purposes of s. 40.02(3), Stats., the period beginning July 1 and ending the following June 30.

(5) "Student" means, for insurance purposes, a person, who is enrolled in an institution which provides a schedule of courses or classes and, whose principal activity is the procurement of an education. Full-time student status shall be defined by the institution in which the student is enrolled and shall include any usual vacation period if the child was a full-time student at the end of the previous term.

(6) "Summer vacation" means the time between the end of the regular school term of the school system in which the employe was last employed and the beginning of the next regular school term of that system.

History: Cr. Register, February, 1983, No. 326, eff. 3-1-83; r. and recr. (intro.); am. (2) (intro.), cr. (3m), Register, June, 1983, No. 330, eff. 7-1-83; cr. (3w), Register, December, 1983, No. 336, eff. 1-1-84; cr. (3h) and (3s), Register, March, 1984, No. 339, eff. 4-1-84; am. (1), Register, April, 1984, No. 340, eff. 5-1-84; emerg. cr. (4m), eff. 1-1-85; cr. (4m), Register, March, 1985, No. 351, eff. 4-1-85.

**ETF 10.03 Creditable service.** (1) For annual earnings periods beginning on or after January 1, 1985, each participating employer shall determine and report service in hours for each participating employe in the manner prescribed in this section. Earnings which are paid to a teacher, as defined in s. 40.02(55), Stats., who has contracted to receive such payments on either a 9 or 10 month contract basis, and which are paid after the beginning of a school year, as defined in s. ETF 10.01(4m), for services rendered in the preceding school year, are deemed to be received by the teacher on June 30 of the preceding school year for purposes of reporting service to the department.

(2) The full-time equivalent of one day of service is 8 hours. If an employer has established workdays of other than 8 hours as full-time employment for some or all of its employes, the number of hours to be reported within a reporting period is determined by the participating employer by dividing the number of hours for which earnings are paid to the employe in the reporting period by the number of hours which would have been worked in that reporting period by a regular full-time employe of that employer in the same kind of employment and multiplying the result by 40 times the number of weeks and fractions of a week in the reporting period.

(3) For purposes of s. 40.02(17), Stats., the full-time equivalent of one year of creditable service for a teacher, as defined in s. 40.02(55), Stats., Register, March, 1985, No. 351

who is not an executive participating employe, as defined in s. 40.02 (30), Stats., is 1,320 hours and for all other participating employes the full-time equivalent of one year of creditable service is 1,904 hours.

(4) When a participating employe receives earnings from the same participating employer for employment in more than one of the categories under s. 40.23(2)(b), Stats., then the following tests shall be applied by the participating employer when service and earnings are reported:

(a) If employment in each of the categories meets the requirements of s. 40.22, Stats., by itself then the earnings and service shall be reported separately for each category.

(b) If employment in any one category meets the requirements of s. 40.22, Stats., and all other employment does not, then earnings and service shall be added to and reported under the one category which meets the eligibility requirements of s. 40.22, Stats.

(c) If employment in more than one category meets the qualifying requirements of s. 40.22, Stats., and all other employment does not, then earnings and service for employment in those categories which do not meet the qualifying requirements of s. 40.22, Stats., shall be added to and reported under:

1. That qualifying category in which the greatest number of hours is worked, or

2. The lowest numbered subd. under sub. (5)(b) if the greatest number of hours worked is equal in 2 or more qualifying categories.

(d) If employment in none of the categories meets the requirements of s. 40.22, Stats., separately, but those requirements are met when the employment is added together then earnings and service shall be added to and reported under:

1. That category in which the greatest number of hours is worked, or

2. The lowest numbered subd. under sub. (5)(b) if the greatest number of hours worked is equal in 2 or more categories.

(5)(a) Fractions of an hour shall be rounded to the nearest hour prior to crediting and if the fraction is one-half hour then the hours credited shall be rounded up to the next whole number.

(b) If the total number of hours reported for an employe within an annual earnings period exceeds the applicable number specified in sub. (3) service shall be allocated and credited in the following sequence:

1. Service as a protective occupation participant not subject to Titles II and XVIII of the federal Social Security Act whose formula rate is determined under s. 40.23(2m)(e)4, Stats.

2. Service as a protective occupation participant subject to Titles II and XVIII of the federal Social Security Act whose formula rate is determined under s. 40.23(2m)(e)3, Stats.

3. Service as an executive participating employe whose formula rate is determined under s. 40.23(2m)(e)2, Stats.

4. Service as an elected official whose formula rate is determined under s. 40.23(2m)(e)2, Stats.

5. Service as a teacher whose formula rate is determined under s. 40.23(2m)(e)1, Stats.

6. Service of a type not covered under subs. 1 to 5.

(c) The earnings shall be reported and credited in full without regard to any allocation of creditable service under par. (b).

(6)(a) For local elected officials who are participating employees, but serving in positions not considered full-time by the local unit of government, the amount of service shall be determined and reported by the employer as follows:

1. For employment which is essentially ministerial in nature, the number of hours reported shall be the actual number of hours for which the employe is paid if a regular work schedule has been established. If there is no regular work schedule, the number of hours reported may not be greater than the quotient derived from dividing the compensation paid during the reporting period by 2 times the minimum hourly wage rate established by the federal Fair Labor Standards Act for non-agricultural employment.

2. For members of governing bodies or other policy-making groups, the number of hours reported shall be the number of hours in actual attendance at meetings of the governing body, the policy-making group or any sub-group thereof and a reasonable amount of time spent in preparation for such meetings, but in no event shall the number of hours determined to have been spent in preparation time exceed twice the number of hours actually spent at the meetings.

(b) In applying the standards set forth in par. (a), it is the responsibility of the local unit of government to maintain the necessary documentation to justify the reasonableness of the basis used in reporting service for local elected officials.

(c) The department may consider other factors in granting creditable service to local elected officials where circumstances warrant and when satisfactory supporting information is provided.

Note: This rule requires a new form which will replace several existing forms. These forms are routinely provided by the department at no charge to reporting officials required to use them.

History: Emerg. cr. eff. 1-1-85; cr. Register, March, 1985, No. 351, eff. 4-1-85.

**ETF 10.05 Creditable service for Milwaukee teachers.** Creditable service for Milwaukee teachers shall be granted for teaching service performed for governmental agencies other than the city of Milwaukee pursuant to ss. 42.70 (2) (s), 42.78 (1) (a), 42.81 and 42.91, 1979 Stats., only if the requirements in subs. (1) to (6) are satisfied:

(1) The teacher was a member, as defined in s. 42.70 (k), 1979 Stats., of the former Milwaukee teachers retirement fund on August 31, 1958, has not received a separation benefit since that date and the teaching service for which creditable service is requested was prior to September 1, 1958.

(2) The participant has 10 or more years of teaching service in the city of Milwaukee and the outside teaching credit granted, when added to the participant's separate, combined and formula teaching service in the city of Milwaukee, does not exceed 35 years for benefit computation purposes. If at the time of a benefit computation the total service exceeds 35

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years, any payment made previously for outside teaching service including interest which cannot be used shall be transferred to the additional contributions of that participant.

(3) The participant applies in writing for the outside teaching credit giving pertinent details on when, where and for whom the outside teaching service was performed.

(4) The outside teaching service is verified by the school district, successor school district or public retirement plan.

(5) The applicable public retirement plan certifies to the department that the participant is not entitled to any benefit, absolute, contingent or otherwise, from that retirement plan as a result of the teaching service.

(6) The participant makes the contributions which would have been required if the service to be credited had been subject to s. 42.80, 1979 Stats., at the time the teacher became a member, as defined in s. 42.70 (k), 1979 Stats., of the former Milwaukee teachers retirement fund, or if later, at the time the teacher returned to covered Milwaukee teaching after the period of outside teaching. The amount due shall be increased with interest at the effective rate, as defined in s. 40.02 (23), Stats., as though the contributions were in the fund on September 1, 1959.

History: Cr. Register, June, 1983, No. 330, eff. 7-1-83; am. (2), Register, September, 1983, No. 333, eff. 10-1-83.

**ETF 10.07 Leave of absence.** (1) A person on a paid leave of absence from a position in which the person was a participating employe shall continue to qualify as a participating employe.

(2) Service shall be determined and reported by the employer in the following manner:

(a) If the compensation paid during the leave of absence is less than the earnings paid during the participant's immediately preceding service with that employer in a time period of the same length as the leave, then the service shall be computed by dividing the compensation paid during the leave by the earnings paid in that preceding period and multiplying the result by the service reported for that preceding period.

(b) If the compensation paid during the leave of absence is equal to or greater than the earnings paid during the participant's immediately preceding service with that employer in a time period of the same length as the leave, then the service reported shall be the same as in that preceding period.

(3) Compensation paid during a paid leave of absence shall be treated the same as earnings for purposes of ch. 40, Stats.

Note: This rule requires a new form which will replace several existing forms. These forms are routinely provided by the department at no charge to reporting officials required to use them.

History: Cr. Register, March, 1985, No. 351, eff. 4-1-85.

**ETF 10.10 Teachers retirement board elections.** (1) The purpose of this section is to set forth procedures for all elections to the teachers retirement board, pursuant to ss. 15.165 (1) and (3) (a) and 40.03 (2) (p), Stats. An election shall be scheduled whenever a term is due to expire.

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(2) When an elective position on the teachers retirement board is vacated due to resignation, death or for any other reason, a successor shall be elected for the remainder of the unexpired term at a time determined by the secretary, but no later than the next election specified in sub. (1).

(3) Persons shall be considered eligible to vote if they are in the department's participant file and meet the other voting eligibility requirements set forth in this section at the time ballots are addressed.

(4) A teacher employed in more than one employment location within an election category specified under s. 15.165 (3) (a) 1 or 2, Stats., shall be sent a ballot at only one location as determined by the department. A teacher concurrently employed by both a public school and a vocational, technical and adult education district shall be sent a ballot at both locations and shall be eligible to vote in both categories specified under s. 15.165 (3) (a) 1 and 2, Stats.

(6) Employees of the state department of public instruction; state department of health and social services; state board of vocational, technical and adult education; and the educational communications board, who are classified as teachers under the Wisconsin retirement system, are not employed by a public school or a vocational, technical and adult education district and shall be ineligible to vote in any election category.

(7) Any participant satisfying the eligibility requirements of s. 15.165 (3), Stats., may be nominated for election to the teachers retirement board by satisfying the requirements of pars. (a) to (c) within the calendar dates established by the department. The department shall publish notice of the election, the nomination timetable and instructions for prospective candidates in the department newsletter. Prospective candidates may obtain nominating petition forms from the department. The candidate shall:

(a) Submit to the department a nominating petition, which shall contain at least 50 but no more than 100 signatures, shall indicate the signer's employer, or last Wisconsin teaching employer for annuitants, the signer's social security number and the date signed. If more than 100 signatures are submitted, the department shall, based upon the date signed, review only the first 100 signatures for validity and the balance shall be disregarded.

(b) Certify that the signers are, to the best of the candidate's knowledge, eligible to vote in the election category for which the candidate is running.

(c) Submit to the department biographical information containing no more than 100 words. If the biographical information submitted exceeds this maximum, the first 100 words shall be printed and the balance shall be dropped. The department shall print and send candidates' biographical information to eligible voters with the ballots.

(8) The department shall print ballots with the candidates' names in alphabetical order and shall include instructions for marking the ballot and the deadline for its return. Each employer shall be sent one ballot individually labeled with the participant name for each active participant employee. A distribution list, prepared by the department and containing the names of employees for whom ballots are included, shall accompany the ballots. Employers shall be required to verify, by signing

the distribution list, that ballots have been distributed within 30 days of the date they were mailed by the department. The employer shall indicate on the distribution list which ballots could not be distributed and shall return the undistributed ballots. For the annuitant election, ballots shall be sent directly to teacher annuitants at the last home address the department has on file.

(9) All voters shall certify their eligibility to vote in the appropriate election category by signing the signature stub provided with the ballot and returning it with the sealed ballot.

(10) An election committee shall be appointed by the teachers retirement board and shall consist of the secretary of the department and 2 teachers retirement board members not running for re-election. A majority of the election committee shall determine the validity of questionable ballots.

(11) Ballot validation shall be accomplished by checking the signature stub accompanying the sealed ballot. Questionable items shall be set aside for review by the election committee. If there is a question about the validity of a ballot after it is opened it shall also be set aside for review by the election committee. A ballot shall be deemed invalid by the election committee if:

- (a) No signature stub accompanies the ballot.
- (b) The signature stub accompanying the sealed ballot is not signed.
- (c) Too many candidates have been voted for on the ballot.
- (d) The election committee finds that a ballot is so defective that it cannot be determined with reasonable certainty for whom the ballot was cast.

(12) If the number of candidates is equal to or less than the number of positions to be filled within an election category, no election shall be held and all candidates shall be declared to be elected.

(13) If there is more than one teachers retirement board position to be filled, and an election is held, voters may vote for as many candidates, in the appropriate election category, as there are positions to be filled.

(14) Write-in candidates shall be disallowed.

(15) Candidates receiving the largest number of votes shall be elected. A tie shall be broken by the drawing of lots. The counting of ballots shall be conducted under the direction of the secretary.

(16) The department shall notify all candidates of the results by the May 1 following the close of the election.

(17) The department shall retain nominating petitions and ballots for 30 days from the date the candidates are notified in sub. (16). If a candidate wishes to request a recount, the candidate shall submit the request to the department within 30 days of the date the candidates are notified of the election results. A recount shall be conducted under the direction of the secretary.

History: Cr. Register, March, 1984, No. 339, eff. 4-1-84; r. (5) and am. (7) (intro.), Register, January, 1985, No. 349, eff. 2-1-85.

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**ETF 10.15 Annuity reserves.** The amounts credited to and the liabilities of the reserves for annuities granted shall be determined by the actuary

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