

ETF 20.05 Annuity options integrated with social security. (1) A participant or beneficiary shall not be eligible for the social security integrated annuity if the reduced annuity payable for life under 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.

(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.

History: Cr. Register, June, 1979, No. 282, eff. 1-1-80; cr. (2), (1) renum. from ETF 7.02 (1) and am., Register, November, 1982, No. 323, eff. 12-1-82.

ETF 20.06 Early retirement reduction factors. Pursuant to s. 40.23 (2), Stats., this section applies only to participants who are not participating employees after March 9, 1984. In computing a formula annuity in the normal form beginning prior to the normal retirement date of a participant, there shall be a .5% reduction for each month the participant's age is under 65 but at least 60 and a .4% reduction for each month the participant's age is under 60.

History: Cr. Register, June, 1979, No. 282, eff. 1-1-80; renum. from ETF 7.02 (2), Register, November, 1982, No. 323, eff. 12-1-82; am. Register, March, 1986, No. 363, eff. 4-1-86.

ETF 20.15 Computation for reestablishment of creditable service forfeited. (1) For purposes of reestablishing creditable service as provided in s. 40.25 (6) (a) 3, Stats., the application received date is deemed to be the first day of the annual earnings period in which it is received. 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 as follows:

(a) If the creditable service being reestablished is 2 or less years the amount payable shall accompany the application. The application and amount payable shall be deemed to be received within the preceding annual earnings period if received within the first month after the end of an annual earnings period.

(b) If the creditable service being reestablished exceeds 2 years, the amount payable may be divided into 5 equal annual installments. The first installment shall accompany the application. Subsequent installments shall be received by the department on or before the last day of the annual earnings period, June 30 for teachers applying to reestablish creditable service on or after November 1, 1985 and December 31 for non-teachers, or 30 days from the date of the billing by the department, whichever is later. Payment received within 30 days of the date of billing, but later than the last day of the annual earnings period, shall be deemed received within the preceding annual earnings period.

(c) Interest shall be added to each installment after the first installment and shall be paid in full each year. The interest shall be calculated

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at the most recently established fixed effective rate as defined in s. 40.02 (23) (a), Stats., on the unpaid principal balance outstanding on the prior January 1 for non-teachers or the prior July 1 for teachers. The participant may prepay any or all installments at the time the regular annual installment payment is made. Paying more than the required installment shall reduce the amount of the last installment due. Interest at the most recently established effective rate shall be prorated monthly on the balance remaining after payments made prior to the month of December for non-teachers or the month of June for teachers.

(d) 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 the notification the past due amount is not received or the department is not advised in writing by the employe of eligibility under sub. (4), and eligibility under sub. (4) is subsequently certified by the employer, all amounts previously paid plus any interest credited to the amounts shall be refunded as provided in s. 40.08 (6), Stats., and the application to reestablish the forfeited service shall be cancelled.

(e) If the department notifies the applicant that the payment or first installment accompanying the application is insufficient, the additional amount payable shall be due within 30 days from the date of the department's notice.

(f) If a benefit application is received by the department, any unpaid balance, including prorated interest on that balance from the last regular installment date, shall be due within 30 days after the benefit application is effective. Failure to pay the amount due within 30 days after the benefit application is effective shall result in the department refunding any amounts previously received as provided in s. 40.08 (6), Stats., and the application to reestablish the forfeited service shall be cancelled.

(g) If the participant dies prior to repayment of all installments due under this subsection, and the department determines that after deducting the unpaid balance the benefit available under s. 40.25 (6), Stats., would be greater if the previously forfeited creditable service had been fully reestablished than the value of the benefit without reestablishing the creditable service previously forfeited, the department shall deduct any unpaid balance due under this subsection from the benefit payable under s. 40.25 (6), Stats., prior to approval of the benefit application; otherwise the installments already received shall be refunded with the death benefit as provided in s. 40.08 (6), Stats.

(3) Except as provided in sub. (4), 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, a retirement annuity under s. 40.23, Stats., or s. 40.24, Stats., or a lump sum payment under s. 40.25 (1), Stats., and reapplies under the provisions of s. 40.25 (6), Stats.

(4) (a) If a participant fails to pay an installment, as required by sub. (2) (b) to (d), to reestablish credits under s. 40.25 (6), Stats., the application shall not be cancelled if failure to pay is due to an involuntary leave of absence or is due to a discharge or removal from the employe's covered employment and the employe exercises a right to appeal within 30 days of the discharge or removal. The involuntary leave of absence, discharge, or removal must have had a duration of at least 90 calendar days at the time the installment is first due. The past due installment plus interest

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shall be deferred until the following June 30 for teachers who applied to reestablish creditable service on or after November 1, 1985 or December