

Chapter ETF 20

WISCONSIN RETIREMENT SYSTEM

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ETF 20.01 Actuarial estimate charges. (1) Before submitting a resolution to become a participating employer under the Wisconsin retirement system, an employer, as defined in s. 40.02 (28), Stats., may obtain, upon written request to the department and the payment of a fee of \$50.00 if more than 10 employees or \$25.00 if 10 employees or less, an actuarial determination of its estimated prior service liability. The employer shall supply the data with respect to its employees in accordance with instructions from the department.

(2) The determination of the prior service liability shall be furnished without charge to any employer which has submitted a resolution for inclusion under the Wisconsin retirement system.

(3) The secretary of the department is authorized to set the rates for special actuarial studies or estimates requested by state agencies, local units of government, or other organizations when in the secretary's judgment it is feasible and appropriate to perform the studies.

History: Emerg. eff. 6-30-77; cr. Register, November, 1977, No. 263, eff. 12-1-77; renum. from ETF 4.03 and am., Register, December, 1982, No. 324, eff. 1-1-83.

ETF 20.015 Participating employees. Only a person classified as a teacher under s. 40.02 (55), Stats., who is employed with the expectation that there will be at least 440 hours of actual performance of duty during an annual earnings period with that employer shall be deemed to be employed one-third of what is considered full-time employment with that employer and thereby meet the 600 hour requirement of s. 40.22 (1) (b) and (2), Stats.

History: Cr. Register, January, 1985, No. 349, eff. 2-1-85.

ETF 20.02 Continued employment with a participating employer. A participant to whom a retirement annuity is payable under s. 40.23, Stats., and who is subsequently employed by any participating employer and does not otherwise satisfy the requirements of s. 40.22 (1), Stats., shall not be considered to be a continuing participating employe for purposes of s. 40.22 (2), Stats.

History: Emerg. cr. eff. 7-1-83; cr. Register, October, 1983, No. 334, eff. 11-1-83.

ETF 20.03 Annuity computations. (1) For purposes of annuity computations, other than option conversion, an applicant's age shall be deter-

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mined to the nearest month. For option conversion purposes, an applicant's age shall be determined to the nearest quarter year.

(2) For purposes of determining maximum benefits under s. 40.23 (2), Stats., and integrated benefits under s. 40.24 (4), Stats., the estimated OASDHI benefit shall be based on the following:

(a) It shall be assumed that the employe has been in a position covered under OASDHI in all years from 1956, or if later, from the year after the year in which age 21 was attained, to the year of retirement or death, except that years in which earnings are reported under s. 40.05 (1) (a) 4., Stats., shall be counted as zero.

(b) It shall be assumed that covered earnings increased from 1956, or if later, from the year after the year in which age 21 was attained, to the year of retirement or death at a rate determined by the actuary to reflect changes in the OASDHI wage base and approximate average changes in earnings during that time.

(c) The delayed retirement credit under federal social security regulations shall be applied to each year after age 65 and up to age 72.

(d) Based upon the assumptions in pars. (a) to (c) and in accordance with the provisions of the federal social security act, the actuary shall prepare a table correlating the employe's age and final average earnings with a primary OASDHI benefit, adjusting the table as necessary to prevent, in most cases, assumed OASDHI benefits from exceeding actual OASDHI benefits.

(e) Notwithstanding pars. (a) to (d), if the applicant furnishes the official social security award certificate or a letter from the social security administration which shows that the retirement or disability benefit that is first payable from the participant's OASDHI account at the time of application for Wisconsin retirement system benefits is or will be in a different amount, the amount certified by the social security administration shall be used in the benefit computation.

(3) The actuarial factors used in computing annuities for beneficiaries shall be the same as the factors used in computing retirement annuities. For purposes of computing a beneficiary social security integrated annuity the beneficiary's estimated OASDHI benefit shall be the primary OASDHI benefit amount determined for the deceased participant pursuant to sub. (2).

History: Renum. from ETF 7.01 (2), 7.03 and 7.06 and am. Register, December, 1983, No. 336, eff. 1-1-84.

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 this section in lieu of an option prescribed under s. 40.24, Stats.:

(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) (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.

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(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.

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

History: Cr. Register, November, 1982, No. 323, eff. 12-1-82; am. (intro.), renum. (2) to be (3) and am., cr. (2), Register, May, 1987, No. 377, eff. 11-1-87.