



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2005 Wisconsin Act 316
[2005 Senate Bill 527]

**Retirement Research Functions
Transferred to Legislative Council**

INTRODUCTION

2005 Wisconsin Act 316 (“the Act”) would eliminate the Office of Retirement Research Director and transfer the functions of that office to the Legislative Council staff. In addition, the Act would require that specified duties relating to the role of the Legislature with respect to the Wisconsin Retirement System (WRS) be performed by the Legislative Council staff. Essentially, these provisions of the Act would codify current practice. Since 2001, the functions of the Office of Retirement Research Director have been performed by the Legislative Council staff.

In addition, the Act would eliminate the Retirement Research Committee (RRC). This committee, which is created by s. 13.51, Stats., exists primarily to prepare reports on retirement issues. The Retirement Research Committee last met in September of 1996.

Under the Act, the Legislative Council staff will continue to perform the functions of the Office of Retirement Research Director with no increase in staff positions or appropriations. (However, an appropriation to contract for any actuarial studies needed would be transferred to the Legislative Council.) Prior to its functions being absorbed by the Legislative Council staff, the Office of Retirement Research Director was staffed by three full-time positions and, in the 2001-02 Biennial Budget, was appropriated \$211,565 annually.

The remainder of this memorandum describes the provisions of the Act in more detail.

ELIMINATION OF OFFICE OF RETIREMENT RESEARCH DIRECTOR AND RETIREMENT RESEARCH COMMITTEE

Under s. 13.50, Stats., the Retirement Research Director and staff is required to be hired by the Joint Survey Committee on Retirement Systems (JSCRS) from the classified service. The functions and duties of the Retirement Research Director can be summarized as follows:

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature’s Web site at: <http://www.legis.state.wi.us/>.

1. Staff the JSCRS.

The JSCRS is a 10-member committee that, under s 13.50, Stats., is responsible for reviewing all legislation affecting the WRS. By statute, no bill or amendment to a bill affecting the WRS may be considered by the Legislature until the JSCRS prepares a written report on the Act or amendment.

2. Staff the RRC.

The RRC is a 20-member committee that, under s. 13.51, Stats., consists of all members of the JSCRS plus the Director of the Office of State Employment Relations or the Director's designee; three representatives of public employees, appointed by the Governor; three members of the public, appointed by the Governor; one representative who is the Chief Executive Officer of the governing body of a local government participating in the WRS, appointed by the Governor; and the annuitant member of the Employee Trust Fund Board.

The functions of the RRC are to prepare reports on retirement issues, require administrators of public pension plans to produce financial reports, and to establish and keep current a library of all public employee pensions on retirement plans in the United States.

The RRC has not met since September of 1996. The RRC would be eliminated by the Act.

3. Prepare fiscal estimates on legislation affecting the WRS.

The Retirement Research Director is required to estimate the fiscal effect on WRS employers and on the actuarial soundness of the WRS of proposed retirement legislation affecting the WRS.

The Act would repeal the authority of the JSCRS to hire a Retirement Research Director and staff.

FUNCTIONS OF OFFICE OF RETIREMENT RESEARCH DIRECTOR TRANSFERRED TO THE LEGISLATIVE COUNCIL STAFF

The Act would require the Legislative Council staff to provide staff services to assist the Legislature in identifying and responding to issues relating to the WRS. In the performance of these duties, the Legislative Council staff would be directed to:

1. Staff the JSCRS.

The Legislative Council staff would be required to provide legal and research staff services to the JSCRS.

2. Prepare fiscal estimates on legislation affecting the WRS.

3. Facilitate communication between the Legislature and participants in the WRS on issues relating to public employee retirement systems.

4. Biennially, prepare a comparative study of major public employee retirement systems in the United States.

5. Suggest any feasible subjects for study or investigation relating to retirement issues to the Joint Legislative Council.

The Act would require the Legislative Council staff, in consultation with groups representing participants in the WRS, to suggest to the co-chairs of the Joint Legislative Council any feasible subjects for study or investigation of public employee retirement issues with respect to which Legislative Council study committees may be appointed under s. 13.82, Stats.

In addition, all records of the Office of Retirement Research Director would be transferred to the Legislative Council staff.

APPROPRIATION FOR ACTUARIAL STUDIES CREATED

The Act would create a biennial appropriation for the Legislative Council staff for the purpose of contracting for actuarial studies approved by the co-chairs of the JSCRS under s. 13.50 (6) (am), Stats. Under this statutory section, the co-chairs of the JSCRS may order an independent actuarial opinion on the impact of a bill if they believe it may have a significant fiscal impact on the costs, actuarial balance, or goals of the WRS.

Effective Date: 2005 Wisconsin Act 316 is effective April 21, 2006.

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