
Wisconsin Legislative Council

ACT MEMO



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April 13, 2022

2021 Wisconsin Act 245 [2021 Assembly Bill 1027]

Department of Employee Trust Funds Remedial Legislation

2021 Wisconsin Act 245 is remedial legislation introduced by the Law Revision Committee, at the request of the Department of Employee Trust Funds (ETF), and makes the following changes to laws administered by the department.

Named Survivor vs. Beneficiary

Act 245 replaces the term “beneficiary” with “named survivor” in statutes relating to annuity options for the Wisconsin Retirement System (WRS). The bill corrects references to “beneficiary” that were not changed to “named survivor” when other such references were changed in 1997 to distinguish between a named survivor who will receive a benefit and a beneficiary.

Qualified Domestic Relations Order

The act repeals an obsolete provision regarding the division of a WRS account pursuant to a domestic relations court order. ETF was last authorized to accept such a court order on May 2, 2018.

Purchase of Creditable Service

Act 245 replaces the term “participant” with “participating employee” in a statute relating to purchasing creditable service for purposes of the WRS. The bill clarifies that only active employees are eligible to purchase creditable service.

Creditable Contributions and Service

The act removes obsolete language that has not had effect since 1989. The bill clarifies that an individual may not earn contributions and creditable service during a period in which the individual receives an annuity from the WRS based on the individual’s own service as a participating employee.

Internal Revenue Code Citation

Act 245 aligns state statutory language with provisions in the Internal Revenue Code (IRC). Specifically, the bill aligns statutory language with the IRC by distinguishing between expenses reimbursable under two different employee-funded reimbursement plan types governed by the IRC.

Updated References

The act updates references to the director of the former Office of State Employment Relations (OSER) to refer instead to the Division of Personnel Management (DPM). OSER was eliminated by 2015 Wisconsin Act 55 and its functions were transferred to DPM.

Alignment With Federal Law

Act 245 brings state law into compliance with the federal Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019 regarding the age at which required minimum distributions must begin. The bill replaces specified ages with a reference to the ages set under the relevant IRC section, so that future federal changes will be automatically reflected in state law.

Effective date: April 10, 2022

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