



1995 ASSEMBLY BILL 48

January 26, 1995 - Introduced by Representative BAUMGART. Referred to Joint survey committee on Retirement Systems.

1 **AN ACT to amend** 40.02 (33) (a) 1. and 2. and 40.23 (2m) (e) 1. to 4. of the statutes;
2 **relating to:** the determination of final average earnings and increasing the
3 formula multiplier for the amount of an annuity for a participant in the
4 Wisconsin retirement system.

Analysis by the Legislative Reference Bureau

Under current law, when a participant in the Wisconsin retirement system (WRS) terminates covered employment and becomes eligible for a retirement annuity, the amount of the annuity is determined based on the participant's final average earnings, the participant's number of years of creditable service and a percentage multiplier. The final average earnings is the 3 annual earnings periods in which the participant's earnings were highest. For an elected official, executive participating employe, or a protective occupation participant who is covered by social security, the percentage multiplier is 2%. For a protective occupation participant who is not covered by social security, the percentage multiplier is 2.5%. For all other participants in the WRS, the percentage multiplier is 1.6%.

This bill changes the determination of final averages earnings from the 3 annual earnings periods in which the participant's earnings are the highest to the 5 annual earnings periods in which these earnings are the highest. Also, the bill increases the percentage multiplier for all classes of participants in the WRS by 0.1%.

This bill will be referred to the joint survey committee on retirement systems for a detailed analysis, which will be printed as an appendix to this bill.

