

State of Misconsin 2001 - 2002 LEGISLATURE

## **2001 ASSEMBLY BILL 414**

May 18, 2001 – Introduced by Representatives Musser, Starzyk, McCormick, Sykora, Ryba, Boyle, Townsend, Walker, Turner, Suder, J. Lehman, Gundrum, Ott, Gronemus, Freese, Balow, Pettis, Hahn, Wade, Bies, Rhoades, Kreibich, Hoven, Jeskewitz, Nass, D. Meyer, J. Fitzgerald, Gunderson and Albers, cosponsored by Senators Plache, Hansen, M. Meyer, S. Fitzgerald, Schultz, Harsdorf, Roessler, Rosenzweig and Darling. Referred to Committee on Veterans and Military Affairs. Referred to Joint survey committee on Retirement Systems.

1 AN ACT to repeal 40.02 (15) (c) 1. and 40.02 (15) (c) 5.; to amend 40.02 (15) (c) 2 4.; and to create 40.02 (15) (c) 1g. and 40.02 (15) (c) 1r. of the statutes; relating 3 to: creditable military service under the Wisconsin retirement system.

#### Analysis by the Legislative Reference Bureau

Under current law, a participating employee under the Wisconsin retirement system (WRS) may receive one year of creditable service under the WRS for each year of military service, up to a maximum of four years of military service credit, at the time of retirement in either of the following ways:

1. If the participant left employment covered under the WRS to enter military service and returned to the same employer within 180 days after being discharged, the participant may receive one year of military service credit for each year of military service (regardless of the amount of the participant's creditable service).

2. If the participant's military service was performed before 1974, the participant may receive up to one, two, three, or four years of military service credit if the participant has at least five, ten, fifteen, or twenty years, respectively, of creditable service (not counting previously granted military service credit).

This bill provides that a participating employee in the WRS who terminates covered service on or after the effective date of the bill may receive creditable military service under item 2. for active military service served at any time.

In addition, the bill provides that, for the purposes of item 2., the participant may receive military service credits under the WRS for military service that is used for the purpose of establishing entitlement to a retirement benefit that is paid by the federal government.

#### **ASSEMBLY BILL 414**

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.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

# The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1	<b>SECTION 1.</b> 40.02 (15) (c) 1. of the statutes is repealed.
2	<b>SECTION 2.</b> 40.02 (15) (c) 1g. of the statutes is created to read:
3	40.02 (15) (c) 1g. For a participant who terminates creditable service on or after
4	January 1, 1982, but before the effective date of this subdivision [revisor inserts
5	date], this paragraph applies only to active military service prior to January 1, 1974.
6	<b>SECTION 3.</b> 40.02 (15) (c) 1r. of the statutes is created to read:
7	40.02 (15) (c) 1r. For a participant who terminates creditable service on or after
8	the effective date of this subdivision [revisor inserts date], this paragraph applies
9	to active military service served at any time.
10	<b>SECTION 4.</b> 40.02 (15) (c) 4. of the statutes is amended to read:
11	40.02 (15) (c) 4. This If the participant makes an election under s. 40.30 (2), this
12	paragraph does not apply to any active service used for the purpose of establishing
13	entitlement to, or the amount of, any benefit, other than a disability benefit, to be
14	paid by any federal retirement program except OASDHI and the retired pay for
15	nonregular military service program under 10 USC 1331 to 1337 or, if the participant
16	makes an election under s. 40.30 (2), by any retirement system specified in s. 40.30
17	(2) other than the Wisconsin retirement system.
18	<b>SECTION 5.</b> $40.02(15)(c) 5.$ of the statutes is repealed.
19	SECTION 6. Initial applicability.

2001 – 2002 Legislature

### **ASSEMBLY BILL 414**

1 (1) The treatment of section 40.02 (15) (c) 4. of the statutes first applies to 2 participating employees under the Wisconsin retirement system who terminate 3 covered employment on the effective date of this subsection.

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(END)