



2003 ASSEMBLY BILL 820

February 5, 2004 - Introduced by Representatives CULLEN, ZEPNICK, BOYLE and STASKUNAS. Referred to Joint Survey Committee on Retirement Systems.

1 **AN ACT to create** 20.515 (1) (bm) of the statutes; **relating to:** death benefits
2 provided under the Wisconsin Retirement System and making an
3 appropriation.

Analysis by the Legislative Reference Bureau

Under current law, as the result of the enactment of 1999 Wisconsin Acts 11 and 12, a beneficiary of a participating employee in the Wisconsin Retirement System (WRS) may receive a death benefit equal to the sum of the additional and *twice* the employee required contribution accumulations credited to the participant's account. Before the enactment of 1999 Wisconsin Acts 11 and 12, however, the value of the death benefit, with certain exceptions, was the sum of the additional and the employee required contribution accumulations, not *twice* the employee required contribution accumulations.

This bill provides that any WRS participant who at the time of death was a participating employee, who died between January 1, 1999, and December 31, 1999, shall have his or her death benefit retroactively increased by an amount equal to the participant's employee required contribution accumulations that were credited to the participant's account on the beneficiary annuity effective date, or in the case of a lump sum payment, on the first day of the month in which the Department of Employee Trust Funds (DETF) approved the payment of the death benefit.

To qualify for the increased death benefit, the beneficiary to whom or which the death benefit was payable must either have been a dependent of the participant or a trust in which a dependent had a beneficial interest. In addition, the beneficiary

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must submit an application to DETF, on a form provided by DETF, before the first day of the sixth month beginning after the effective date of the bill.

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* 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 **SECTION 1.** 20.515 (1) (bm) of the statutes is created to read:

2 20.515 (1) (bm) *Increased death benefits.* A sum sufficient to pay the cost of any
3 increased death benefits required under 2003 Wisconsin Act ... (this act), section 2
4 (1) to (3).

5 **SECTION 2. Nonstatutory provisions.**

6 (1) In this SECTION:

7 (a) “Beneficiary” has the meaning specified in section 40.02 (8) of the statutes.

8 (b) “Beneficiary annuity” has the meaning specified in section 40.02 (9) of the
9 statutes.

10 (c) “Department” has the meaning specified in section 40.02 (19) of the statutes.

11 (d) “Employee required contribution” has the meaning specified in section
12 40.02 (27) of the statutes.

13 (e) “Participant” has the meaning specified in section 40.02 (45) of the statutes.

14 (f) “Participating employee” has the meaning specified in section 40.02 (46) of
15 the statutes.

16 (2) Notwithstanding section 40.73 (1) (a), 1999 stats., any participant who at
17 the time of death was a participating employee, who died between January 1, 1999,
18 and December 31, 1999, and who was not eligible for the death benefit provided
19 under section 40.73 (1) (c), 1999 stats., shall have his or her death benefit

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1 retroactively increased by an amount equal to the participant's employee required
2 contribution accumulations that were credited to the participant's account on the
3 beneficiary annuity effective date, or, in the case of a lump sum payment, on the first
4 day of the month in which the department approved the payment of the death
5 benefit.

6 (3) An increased death benefit may be provided under this SECTION only if all
7 of the following conditions are satisfied:

8 (a) The beneficiary to whom the death benefit was payable must either have
9 been a natural person or a trust in which a natural person had a beneficial interest.

10 (b) The beneficiary submits an application to the department, on a form
11 provided by the department, before the first day of the 6th month beginning after the
12 effective date of this paragraph.

13 (c) The participant was not covered under section 40.73 (1) (a) 1., 1999 stats.,
14 or section 40.73 (1) (a) 2., 1999 stats.

15 (END)