



State of Wisconsin  
2017 - 2018 LEGISLATURE

LRB-5244/1  
FFK:jld/emw/ahe

## 2017 ASSEMBLY BILL 842

January 16, 2018 - Introduced by LAW REVISION COMMITTEE. Referred to Committee on Rules.

1     **AN ACT** *to repeal* 40.23 (1) (c); and *to amend* 40.05 (5) (a), 40.22 (2) (am), 40.22  
2           (2r) (intro.), 40.23 (1) (am) 2., 40.23 (1) (d) and 40.70 (8) of the statutes; **relating**  
3           **to:** various changes to the Wisconsin Retirement System, cancelling coverage  
4           under the Wisconsin Public Employers Group Life Insurance Program, and  
5           income continuation insurance premiums for certain teachers employed by the  
6           University of Wisconsin System (suggested as remedial legislation by the  
7           Department of Employee Trust Funds).

---

### ***Analysis by the Legislative Reference Bureau***

This bill clarifies that an employee who was not participating in the Wisconsin Retirement System before July 1, 2011, and who is not expected to work at least two-thirds of full-time employment generally may not participate in WRS. Under current law, the standard that applies is whether the employee was initially employed on that date by an employer that participates in WRS.

The bill eliminates the prohibition against the Department of Employee Trust Funds accepting an application for a retirement annuity that specifies an annuity effective date that is more than 60 days after the date on which the application is received.

The bill allows a protective occupation participant in WRS who is at least 50 years of age, which is the minimum retirement age for a protective occupation

**ASSEMBLY BILL 842**

participant, and who is also a part-time elected official to waive further participation in WRS for his or her current and future service as a part-time elected official, after he or she terminates all of his or her other covered employment. The waiver allows the protective occupation participant to receive a retirement benefit while he or she is serving as a part-time elected official. Under current law, a WRS participant who is at least 55 years of age, which is the minimum retirement age for a participant who is not a protective occupation participant, and who is also a part-time elected official is allowed to waive participation in WRS for his or her current and future service as a part-time elected official after he or she terminates all of his or her other covered employment.

The bill eliminates the requirement that a form to cancel coverage under the Wisconsin Public Employers Group Life Insurance Program takes effect at the end of the calendar month that begins after the form is received from an insured employee.

Under current law, the Board of Regents of the University of Wisconsin System pays the gross premium for income continuation insurance coverage for teachers employed by UW System who have more than one year of state service, subject to a 130-day waiting period. This bill changes the waiting period from 130 days to 180 days.

For further information, see the NOTES provided by the Law Revision Committee of the Joint Legislative Council.

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

LAW REVISION COMMITTEE PREFATORY NOTE: This bill is a remedial legislation proposal, requested by the Department of Employee Trust Funds and introduced by the Law Revision Committee under s. 13.83 (1) (c) 4. and 5., stats. After careful consideration of the various provisions of the bill, the Law Revision Committee has determined that this bill makes minor substantive changes in the statutes, and that these changes are desirable as a matter of public policy.

1           **SECTION 1.** 40.05 (5) (a) of the statutes is amended to read:

2           40.05 (5) (a) For teachers employed by the board of regents of the university,  
3 no contribution if the teacher has less than one year of state creditable service and  
4 an amount equal to the gross premium for coverage subject to a ~~130-day~~ 180-day  
5 waiting period if the teacher has one year or more of state creditable service.

NOTE: This SECTION changes the waiting period from 130 days to 180 days before the Board of Regents pays the gross premium for income continuation insurance coverage for teachers it employs who have more than one year of state service.

6           **SECTION 2.** 40.22 (2) (am) of the statutes is amended to read:

**ASSEMBLY BILL 842**

1           40.22 (2) (am) Except as provided in sub. (2r), the employee was initially  
2 employed by not a participating employer ~~on or after~~ employee before July 1, 2011,  
3 and is not expected to work at least two-thirds of what is considered full-time  
4 employment by the department, as determined by rule.

5           **SECTION 3.** 40.22 (2r) (intro.) of the statutes is amended to read:

6           40.22 (2r) (intro.) An employee who was ~~initially employed by~~ not a  
7 participating employer ~~on or after~~ employee before July 1, 2011, who is not expected  
8 to work at least two-thirds of what is considered full-time employment by the  
9 department, as determined by rule, and who is not otherwise excluded under sub. (2)  
10 from becoming a participating employee shall become a participating employee if he  
11 or she is subsequently employed by the state agency or other participating employer  
12 for either of the following periods:

NOTE: SECTIONS 2 and 3 clarify that, with certain exceptions, an employee may not participate in the Wisconsin Retirement System (WRS) if he or she was not a participating employee in the WRS before July 1, 2011, and is not expected to work at least two-thirds of what is considered full-time employment.

13           **SECTION 4.** 40.23 (1) (am) 2. of the statutes is amended to read:

14           40.23 (1) (am) 2. Any participant who has attained age 55 and who is a  
15 participant because of employment other than part-time service as an elected official  
16 and who is also a participating employee because of part-time service as an elected  
17 official and any protective occupation participant who has attained age 50 and who  
18 is also a participating employee because of part-time service as an elected official  
19 may, after termination of all covered employment other than service as a part-time  
20 elected official, waive further participation under the fund for his or her current, and  
21 any future, part-time service as an elected official. Any election under this  
22 paragraph is irrevocable and is effective beginning the day after the date of election.  
23 Notwithstanding par. (a), any participant who elects under this paragraph may

**ASSEMBLY BILL 842****SECTION 4**

1 receive a retirement annuity for all service under the fund credited to the participant  
2 to the date he or she elects. The date a participant elects under this paragraph is  
3 deemed to be the date of separation from the last participating employer by which  
4 that participant was employed.

NOTE: Under current law, the minimum retirement age for a Wisconsin Retirement System participant is 55 years of age, except that the minimum retirement age for a protective occupation participant is 50 years of age. Current law allows a WRS participant who is at least 55 years old to receive a retirement benefit while serving as a part-time elected official. This Section allows a protective occupation participant who is at least 50 years old to receive a retirement benefit while serving as a part-time elected official.

5 **SECTION 5.** 40.23 (1) (c) of the statutes is repealed.

6 **SECTION 6.** 40.23 (1) (d) of the statutes is amended to read:

7 40.23 (1) (d) ~~Notwithstanding par. (e), an~~ An application for an annuity to be  
8 effective on the day following termination of employment may be filed prior to the  
9 employee's anticipated termination date. The participant shall state the anticipated  
10 termination date shall be stated in the application and the department shall not  
11 make an annuity payment until the employee has terminated.

NOTE: SECTIONS 5 and 6 eliminate the general prohibition against the Department of Employee Trust Funds accepting an application for a retirement annuity that specifies an effective date more than 60 days after the application is received by the department.

12 **SECTION 7.** 40.70 (8) of the statutes is amended to read:

13 40.70 (8) An insured employee may at any time cancel one or more of the types  
14 of life insurance coverage provided under this subchapter by filing a cancellation  
15 form with ~~the employing office~~ his or her employer. The cancellation form shall be  
16 transmitted immediately to the department. ~~The cancellation shall be effective and~~  
17 ~~the insurance shall cease at the end of the calendar month which begins after the~~  
18 ~~cancellation form is received by the appropriate office.~~

NOTE: This SECTION eliminates the requirement that a form to cancel an insured employee's coverage under the Wisconsin Public Employers Group Life Insurance

