



State of Wisconsin  
2021 - 2022 LEGISLATURE

LRB-4578/P2  
MIM:wlj

**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**

1     **AN ACT** *to amend* 40.02 (48r), 40.23 (4) (c) and 40.23 (4) (e) 2. of the statutes;  
2             **relating to:** changes required by the federal SECURE Act (suggested as  
3             remedial legislation by the Department of Employee Trust Funds).

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

Under federal law, a qualified governmental retirement plan is required to begin minimum distributions to participants in the plan upon the participants reaching a specific age. The federal Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019 changed the age of the required minimum distribution (RMD) age. The Wisconsin Retirement System is a qualified governmental retirement plan and is required to comply with this change in federal law. This bill changes the RMD references in Wisconsin law.

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

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***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 changes to statutes or session laws that the Law Revision Committee determined to be in need of revision.

1           **SECTION 1.** 40.02 (48r) of the statutes is amended to read:

2           40.02 (**48r**) “Required beginning date” means the later of April 1 of the calendar  
3 year following the calendar year in which a participant attains the age of ~~70.5~~ years  
4 set under section 401 (a) (9) of the Internal Revenue Code or April 1 of the calendar  
5 year following the calendar year in which a participating employee retires.

NOTE: SECTIONS 1 to 3 bring state law into compliance with federal law changes to the required minimum distributions beginning age made by the Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019. These SECTIONS replace specified ages with a reference to the ages set under the relevant Internal Revenue Code section, so that future federal changes will be automatically reflected in state law.

6           **SECTION 2.** 40.23 (4) (c) of the statutes is amended to read:

7           40.23 (**4**) (c) If a participant during the calendar year ~~in which~~ before the year  
8 he or she attains ~~69.5~~ years the age set under section 401 (a) (9) of the Internal  
9 Revenue Code, or the alternate payee during the calendar year before the year in  
10 which the participant attains ~~69.5~~ years the age set under section 401 (a) (9) of the  
11 Internal Revenue Code, does not apply before December 31 in that year for a  
12 distribution of the amount that is credited to the account of a participant under the  
13 Wisconsin retirement system, the department shall begin, effective the following  
14 January 1, an automatic distribution to the participant or alternate payee in the  
15 form of an annuity specified under s. 40.24 (1) (c) or as determined by the department  
16 by rule. If the department makes an automatic distribution under this paragraph,  
17 the beneficiary designation filed with the department before the date on which the  
18 department begins the automatic distribution is no longer applicable under ss. 40.71  
19 and 40.73. Unless the participant or alternate payee files a subsequent beneficiary  
20 designation with the department after the date on which the department begins the  
21 automatic distribution, the department shall pay any death benefit as provided  
22 under s. 40.02 (8) (a) 2.

1           **SECTION 3.** 40.23 (4) (e) 2. of the statutes is amended to read:

2           40.23 (4) (e) 2. Subject to section 401 (a) (9) of the Internal Revenue Code, if the

3 spouse or domestic partner files a subsequent beneficiary designation with the

4 department, the payment of the distribution may be deferred until the January 1 of

5 the year in which the participant would have attained the age of 70.5 years set under

6 section 401 (a) (9) of the Internal Revenue Code.

7 (END)