



2001 SENATE BILL 134

April 11, 2001 - Introduced by Senators CHVALA, ERPENBACH and ROSENZWEIG, cosponsored by Representatives MUSSER, RYBA, STASKUNAS, BOYLE and BERCEAU. 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 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 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 July 1, 1997, and December 22, 1997, who, prior to death, had not attained the age of 60 years, or age 55 if the participant was a protective occupation participant, but who was at least 55 years of age, or at least 50 years of age if the participant was a protective occupation participant, 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.

In order to qualify for the increased death benefit, the beneficiary to whom 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. Finally, the participant must have had at least 25 years of creditable service under the WRS.

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 2001 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) "Creditable service" has the meaning specified in section 40.02 (17) of the
11 statutes.

12 (d) "Department" has the meaning specified in section 40.02 (19) of the
13 statutes.

14 (e) "Dependent" has the meaning specified in section 40.02 (20) of the statutes.

15 (f) "Employee required contribution" has the meaning specified in section 40.02
16 (27) of the statutes.

17 (g) "Participant" has the meaning specified in section 40.02 (45) of the statutes.

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1 (h) "Participating employee" has the meaning specified in section 40.02 (46) of
2 the statutes.

3 (i) "Protective occupation participant" has the meaning specified in section
4 40.02 (48) of the statutes.

5 (2) Notwithstanding section 40.73 (1) (a), 1995 stats., any participant who at
6 the time of death was a participating employee, who died between July 1, 1997, and
7 December 22, 1997, who, prior to death, met all of the requirements under section
8 40.23 (1), 1995 stats., except termination of employment and the filing of an
9 application and who was not eligible for the death benefit provided under section
10 40.73 (1) (c), 1995 stats., because he or she had not attained the age of 60 years, or
11 age 55 if the participant was a protective occupation participant, shall have his or
12 her death benefit retroactively increased by an amount equal to the participant's
13 employee required contribution accumulations that were credited to the
14 participant's account on the beneficiary annuity effective date, or in the case of a
15 lump sum payment, on the first day of the month in which the department approved
16 the payment of the death benefit.

17 (3) An increased death benefit may be provided under this section only if all of
18 the following conditions are satisfied:

19 (a) The beneficiary to whom the death benefit was payable must either have
20 been a dependent of the participant or a trust in which a dependent had a beneficial
21 interest.

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

