



## 2005 SENATE BILL 267

July 27, 2005 - Introduced by Senators BROWN, GROTHMAN, WIRCH, ROESSLER, ERPENBACH, HANSEN, BRESKE and MILLER, cosponsored by Representatives VRAKAS, PETROWSKI, KRAWCZYK, MURSAU, HINES, VAN ROY, MUSSER, GUNDERSON, LOTHIAN, BERCEAU, OTT, MOLEPSKE, PETTIS, SUDER, POCAN, LEHMAN and TURNER. Referred to Joint Survey Committee on Retirement Systems.

- 1     **AN ACT** *to create* 40.24 (2m) of the statutes; **relating to:** payment of annuities  
2             under the Wisconsin Retirement System.

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### *Analysis by the Legislative Reference Bureau*

Currently, any participant in the Wisconsin Retirement System who is eligible to receive a retirement annuity may elect to receive the annuity in one of several actuarially equivalent forms. One form provides for an annuity payable for the life of the annuitant and, after the death of the annuitant, monthly payments of 75 percent of the amount of the annuity paid to the annuitant to be continued to the named survivor for the remainder of his or her life. Some of the other forms provide for a straight-life annuity terminating at the death of the annuitant or a straight-life annuity with a guarantee of 60 months. In addition, current law authorizes the Department of Employee Trust Funds (DETF) to provide by rule for other forms of annuity options. DETF has provided by rule for a joint and survivor annuity option, in which there is a reduction in the initial annuity amount provided to the annuitant or named survivor if either the annuitant or the named survivor dies. Finally, under current law, under any annuity option that provides for a reduction in the annuity amount to the named survivor, if the annuitant dies, or to the annuitant, if the survivor dies, the reduction must take effect in the month in which the annuitant or named survivor dies.

This bill provides that, if a participant elects an annuity option in which his or her named survivor is to receive 75 percent of the annuity paid to the annuitant, any such reduction in the annuity amount must not take effect until the first day of the fourth month after the annuitant or named survivor dies.

