

# State of Wisconsin



2017 Assembly Bill 842

Date of enactment:  
Date of publication\*:

## 2017 WISCONSIN ACT

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

*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.

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

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

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

40.22 (2) (am) Except as provided in sub. (2r), the employee was ~~initially employed by~~ not a participating

~~employer on or after~~ employee before July 1, 2011, and is not expected to work at least two-thirds of what is considered full-time employment by the department, as determined by rule.

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

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

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

40.23 (1) (am) 2. Any participant who has attained age 55 and who is a participant because of employment

\* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."

other than part-time service as an elected official and who is also a participating employee because of part-time service as an elected official and any protective occupation participant who has attained age 50 and who is also a participating employee because of part-time service as an elected official may, after termination of all covered employment other than service as a part-time elected official, waive further participation under the fund for his or her current, and any future, part-time service as an elected official. Any election under this paragraph is irrevocable and is effective beginning the day after the date of election. Notwithstanding par. (a), any participant who elects under this paragraph may receive a retirement annuity for all service under the fund credited to the participant to the date he or she elects. The date a participant elects under this paragraph is deemed to be the date of separation from the last participating employer by which 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.

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

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

40.23 (1) (d) ~~Notwithstanding par. (c), an~~ An application for an annuity to be effective on the day following

termination of employment may be filed prior to the employee's anticipated termination date. The participant shall state the anticipated termination date shall be stated in the application and the department shall not 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.

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

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

**SECTION 8. Initial applicability.**

(1) LIFE INSURANCE COVERAGE CANCELLATIONS. The treatment of section 40.70 (8) of the statutes first applies to cancellation forms received on the first day of the first month beginning after the effective date of this subsection.