

**LEGISLATIVE HISTORY
OF THE
DEPARTMENT OF EMPLOYEE TRUST FUNDS**

Legislative Session	Historical Provision
1891	<ul style="list-style-type: none"> • Milwaukee Police and Fire Pension Plans created by Chapter 287, Laws of 891.
1907	<ul style="list-style-type: none"> • Milwaukee Teacher Retirement Plan created but declared unconstitutional. • City Fire and Police Pension Funds created at local level except Milwaukee.
1909	<ul style="list-style-type: none"> • Milwaukee Teachers Retirement Fund created. Membership is voluntary.
1911	<ul style="list-style-type: none"> • First statewide teacher retirement law enacted by Chapter 323, Laws of 1911. The Board of Trustees of the Teachers Insurance and Retirement Fund administered the plan which was voluntary and required no employer contributions.
1913	<ul style="list-style-type: none"> • Milwaukee Teachers Retirement membership became mandatory.
1921	<ul style="list-style-type: none"> • First compulsory joint contributory statewide system which excluded Milwaukee was enacted for teachers only. The Board created in 1911 was abolished, and the Annuity Board was created to administer the retirement system operating through three retirement boards for public school, normal school, and university teachers. Chapter 459, Laws of 1921. • City of Milwaukee Policemen's Annuity and Benefit Fund created to replace 1891 plan. Chapter 589, Laws of 1921.
1923	<ul style="list-style-type: none"> • City of Milwaukee Fireman's Annuity and Benefit Fund created to replace 1891 plan. Chapter 423, Laws of 1923.
1929	<ul style="list-style-type: none"> • Chapter 491, Laws of 1929, abolished three teacher annuity boards and created the State Annuity and Investment Board to administer state teachers' retirement laws and invest various retirement and other state funds.
1935	<ul style="list-style-type: none"> • Chapter 227, Laws of 1935, created the Conservation Warden Pension Fund.
1937	<ul style="list-style-type: none"> • Chapter 396, Laws of 1937 created the City of Milwaukee Employees' Retirement System and granted home rule powers. • Milwaukee County Employees' Retirement System created by Chapter 201, Laws of 1937.

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- Milwaukee County Sheriffs' Annuity and Benefit Fund created by Chapter 155, Laws of 1937.
- 1943**
- Wisconsin Municipal Retirement Fund created by Chapter 175, Laws of 1943, to provide general retirement system for municipal employees.
 - State Employees Retirement Fund established under the Annuity & Investment Board to cover state employees.
- 1945**
- First legislative resolution, Joint Resolution 46, directed a study of ways to merge all retirement funds.
 - Joint Legislative Interim Committee established to study public retirement systems.
- 1947**
- Chapter 206, Laws of 1947, closed local police and fire pension plans to new entrants effective January 1, 1948.
 - Chapter 206, Laws of 1947 consolidated Wisconsin Municipal Retirement Fund and State Employees Retirement Fund into the Wisconsin Retirement Fund, effective January 1, 1948.
 - Milwaukee Police and Fire systems and Milwaukee County deputy sheriffs' system closed to new entrants, leaving one ongoing system in Milwaukee County and one in City of Milwaukee. Effective January 1, 1948.
 - Conservation Warden Pension Fund closed to new entrants by Chapter 206, Laws of 1947, and new employees were included under Wisconsin Retirement Fund. Effective January 1, 1948.
 - Chapter 463, Laws of 1947 improved teachers' retirement benefits to two dollars per month for each year of Wisconsin service to a maximum of 35 years, plus money purchase annuity from members' deposits.
 - Legislature's Joint Survey Committee on Retirement Systems created by Chapter 376, Laws of 1947.
- 1951**
- Public Employee Social Security Fund created by Chapters 60 and 631, Laws of 1951, to permit state and local government employees not covered by a retirement system to come under social security.
 - Chapter 511, Laws of 1951 abolished the Annuity and Investment Board, and replaced it with the State Retirement Administration Board which became State Teachers Retirement Board in 1953 and the State Investment Board.

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- Chapter 555, Laws of 1951, modified the \$2 per month age and service requirements. It created a new average salary plan to provide benefits on basis of 1/70th of final average monthly salary for each year of Wisconsin teaching with a minimum of 20 years and a maximum of 35 years.
 - Milwaukee teachers' retirement benefits improved by Chapter 393, Laws of 1951. It provided for a monthly benefit of \$37.50 for the first 10 years of service plus \$5.50 per month for years of service in excess of 10 years with a maximum of \$175.00 per month for 35 or more years of service and established a \$1500 death benefit.
 - Chapter 551, Laws of 1951, provided retired teachers with an additional \$1.00 per month for each year of Wisconsin teaching experience. The courts later declared it unconstitutional.
- 1953**
- Chapter 346, Laws of 1953, provided social security coverage, retroactive to January 1, 1951 for all positions under the Wisconsin Retirement Fund, except firefighters.
 - Substitute teacher roster law enacted by Chapter 434, Laws of 1953. Provided for a \$25.00 per month payment to retired teachers who elected to participate on a standby basis as substitute teachers. However, this payment plus annuity paid from STRS could not exceed \$100.00 per month. Paid from General Fund.
- 1956**
- State constitution was amended to permit teachers to be paid a supplemental benefit after they had retired.
- 1957**
- Group Life Insurance Board created by Chapter 512, Laws of 1957, to provide group life plan for state employees.
 - Chapter 12, Laws of 1957, authorized teachers and members of Milwaukee City and County retirement systems a choice of giving under social security retroactive to January 1, 1955 or declining the coverage. NOTE: Those who declined coverage were given other opportunities in 1959, 1961-62, 1965-66 and 1968-69.
 - State Investment Fund, under control of State Investment Board, created by Chapter 697, Laws of 1957, to more effectively manage the operating and temporary cash reserves of various state funds.
 - Chapter 381 and 423, Laws of 1957 established the fixed and variable annuity funds for each of the three retirement funds. Effective in 1958.
 - Chapter 316, Laws of 1957, enacted to pay teacher annuitants an additional \$1 per month for each year of Wisconsin teaching experience, not to exceed 40 such years. Combined amount payable from State Teachers Retirement System and the supplemental benefit was limited to \$100. Included reference to "roster law," Chapter 434, Laws of 1953.

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- State Teachers Retirement System paid first general dividend to retired members.
- 1958**
- Milwaukee Teachers Retirement Fund securities placed under control of State Investment Board by Chapter 430, Laws of 1957. Effective 1/1/58.
- 1959**
- Chapter 211, Laws of 1959, changed the name of the Group Life Insurance Board to the Group Insurance Board and approved a group health insurance program for state employees. Original employer contribution maximum was \$6 per month.
 - Group life insurance extended to municipalities by Chapter 412, Laws of 1959.
 - Legislature's Retirement Research Committee created by Chapter 395, Laws of 1959. (NOTE: There were special Governor's Retirement Study Commissions in both of the preceding biennia.)
- 1961**
- Health insurance plan extended to municipalities by Chapter 112, Laws of 1961, was suspended in 1963 and repealed by Chapter 43, Laws of 1967.
- 1965**
- Chapter 251, Laws of 1965, adopted (effective January 1, 1996) to provide for formula annuity plan. $\frac{6}{7}$ of 1% of final average salary multiplied by years of service plus $\frac{3}{7}$ of 1% of final excess salary (amount over maximum Social Security wage base) multiplied by years of service. Final average salary 5 highest years in the 10 years preceding retirement. Separate provisions for protectives and elected officials.
 - Milwaukee County granted home rule powers over its retirement funds by Chapter 405, Laws of 1965.
- 1967**
- Chapter 75, Laws of 1967 created the Department of Employee Trust Funds (DETF) as a result of the Kellet Commission: Reorganization of State Government.
 - Chapter 110, Laws of 1967, permitted Wisconsin Retirement Fund to pay dividends from annuity surpluses.
 - Chapter 204, Laws of 1967, authorized supplemental benefits from general fund to retired teachers.
- 1969**
- First dividend from annuity reserve surplus declared for Wisconsin Retirement Fund annuitants.
 - Wisconsin Retirement Fund crediting of interest to annuity reserves changed from effective to assumed rate.

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- Milwaukee County Sheriffs' Fund merged into Milwaukee County Employees' Retirement System.
- Chapter 158, Laws of 1969, consolidated all statute provisions relating to programs administered by the Department of Employee Trust Funds in Chapters 40, 41 and 42 of the statutes as directed by Chapter 75, Laws of 1967.

1971

- Chapter 214, Laws of 1971, increased the formula annuity factor for participants in Wisconsin Retirement Fund. The normal retirement age for judges, legislators and elected officials was reduced to age 62; effective July 1, 1973 the six-month qualifying period was eliminated. The act also made various changes to retirement, social security and insurance law.
- Chapter 125, Laws of 1971, authorized the Department to select and retain an actuary for benefit programs. Previously, each board contracted for actuarial services.
- Chapter 125, Laws of 1971, established an income continuation insurance plan. Effective July 1, 1972.
- Chapter 125, Laws of 1971, established sick leave conversion credits.
- State group life insurance plan modified changing residual value of insurance after age 65. Maximum reduction of 50%. (State teachers excluded. Optional for municipalities.) Chapter 125, Laws of 1971.
- Chapter 125, Laws of 1971, modified the state contribution on behalf of state employees to the retirement system.

1973

- Chapter 137, Laws of 1971, permitted consolidation of security holdings of three retirement funds into fixed retirement trust and variable retirement trust. Established the transaction amortization account. Effective January 1975.
- Chapter 20, Laws of 1973, changed the formula annuity factor for participants in teacher systems, changed the final average salary from five to three years, established a Departmental beneficiary form and standard sequence for all plans, and made other changes to State Teachers Retirement System and Milwaukee Teachers Retirement Fund plans.
- Chapter 51, Laws of 1973, authorized supplemental life insurance coverage for state employees. Effective 7/1/74.
- Conservation Wardens Pension Fund merged into Wisconsin Retirement Fund by Chapter 151, Laws of 1973. Effective 1/1/74.

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- Chapter 127, Laws of 1973 established an "intrastate retirement reciprocity" program for participants.
 - Chapter 333, Laws of 1973, granted authority to invest "float" to State Treasurer and State Investment Board.
 - State residents amended the Constitution to permit post retirement increases for Wisconsin Retirement Fund annuitants upon 3/4 vote of both houses of the legislature and approved a provision to fund the increases from general fund appropriations.
- 1974**
- Chapter 337, Laws of 1973, increased and expanded the supplemental benefits paid from the general fund to Wisconsin Retirement Fund annuitants. It provided for a benefit of 4 percent x number of full calendar years between the date the annuity began and January 1, 1974 times the smaller of \$250 or the initial monthly annuity excluding any annuity from additional deposits.
- 1975**
- Milwaukee County Retirement System assumed responsibility for Milwaukee Transport Employees' Pension Plan.
 - Chapter 39, Laws of 1975, transferred responsibility for the State Employees' Retirement System annuitants to the Wisconsin Retirement Fund.
- 1976**
- Local government "pooled investment fund" and "trust investment fund" were created and limit the State of Wisconsin Investment Board administrative charge to 1/4 of 1 percent.
 - Chapter 280, Laws of 1975, merged the Wisconsin Retirement Fund, State Teachers Retirement System and Milwaukee Teachers Retirement Fund into Wisconsin Retirement System. Department of Employee Trust Funds was directed to develop implementing legislation.
- 1977**
- Chapter 182, Laws of 1977, merged local police and fire pension funds with the Wisconsin Retirement Fund for administrative purposes and provided for supplemental benefit payments.
 - Chapter 84, Laws of 1977, authorized the Group Insurance Board to establish an income continuation insurance plan for local governments.
 - Chapter 418, Laws of 1977, allowed teachers to negotiate for age 62 normal retirement.
- 1979**
- The legislature repealed statutory requirements that the Department of Employee Trust Funds administrative organization be split between teachers and others. Departmental reorganization began along functional lines. Chapter 221, Laws of 1979.

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- Chapter 34, Laws of 1979, repealed local government the income continuation insurance plan previously authorized by Chapter 84, Laws of 1977.
 - Crediting of interest to Wisconsin Retirement Fund annuity reserve changed from assumed rate to effective rate.
 - Chapter 38, Laws of 1979, restricted the pay of a public employee receiving a retirement benefit from a public retirement system. Referred to as the "double-dipping" law, this was subsequently ruled unconstitutional as it applied to certain Milwaukee judges.
- 1981**
- Chapter 96, Laws of 1981, implemented the merger of three retirement funds into Wisconsin Retirement System as directed by 1975 legislature.
 - Chapter 187, Laws of 1981, authorized a deferred compensation plan for public employees, and the Department implemented it on July 18, 1983.
 - Chapter 278, Laws of 1981, established a new duty disability program for all protective employees except county protectives, previously covered under s. 66.191, Stats. to be administered under Wisconsin Retirement System.
 - Chapter 381, Laws of 1981, mandated the group health insurance program to provide coverage for installation and use of an insulin infusion pump and related diabetes equipment.
 - Chapter 388, Laws of 1981, allowed state employees, aged 60 and over, to retire at age 62 with full benefits between June 17, 1982 and June 30, 1983.
 - Chapter 274, Laws of 1981, extended the sunset date for school district age 62 early retirement from January 1, 1983, (Chapter 96, Laws of 1981 created this provision) to July 1, 1984.
- 1983**
- 1983 Wisconsin Act 27 changed the state's contribution for health insurance to the lower of 90% of the standard plan or 105% of the lowest alternate plan in the employee's health service area. The act also initiated major expansion of direct provider contracting concept (HMO's) beginning with coverage year 1984.
 - 1983 Wisconsin Act 30 required state pickup of additional 1% of employee required contribution for Wisconsin Retirement System purposes.
 - 1983 Wisconsin Act 140 allowed sick leave to be used for health insurance premiums during layoffs. Also, it allowed a participant to escrow up to five years of sick leave after retirement if the employee had comparable coverage in place in the interim.

- 1983 Wisconsin Act 141, effective March 9, 1984, made major benefit changes for Wisconsin Retirement System participants that include:
 - Formula Factors - Increased the formula factors from 1.3% to 1.6% for teachers and general employees; from 1.8% to 2.0% for elected officials, state executive retirement plan participants and protective occupation employees covered under social security; and from 2.3% to 2.5% for protective occupation employees not covered under social security.
 - Early Retirement - Reduced the discount for an early retirement between ages 60 and 65 from 6.0% per year to 4.8% per year.
 - Age 62 Normal - Established age 62 as the normal retirement date for teachers and general employees with 30 or more years of creditable service, including creditable military service.
 - Military Service - Allowed employees with less than 20 years of creditable service to receive credit on a pro rata basis for active military service.
 - Maximum Benefit - Removed the integration of social security benefits with Wisconsin Retirement System benefits. Maximum Wisconsin Retirement System benefit is 65% of final average earnings for all employees except protectives without social security whose benefit cannot exceed 85%.
 - Normal Form Annuity - Changed the normal form annuity from a life annuity with 60 payments guaranteed to a straight life annuity.
 - Protectives After Age 55 - Reduced the formula factor for protective occupation participants who work beyond age 55 by .0125% for each quarter worked after January 1, 1985 and age 55.
 - Increased the employee contribution by 1%, which is referred to as the Benefit Adjustment Contribution, and is non-refundable and can be picked-up by the employer if negotiated; allowed use of voluntary additional contributions account by employers with limitation on form of payment in these cases; extended the school district age 62 early retirement sunset date from July 1, 1984 to August 1, 1987.
 - Planning began for a comprehensive redesign of the Department's computer and operating systems.

- 1983 Wisconsin Act 191 extended the special duty disability program for protective occupation employees (s. 40.65, Stats.) to include county undersheriffs, deputy sheriffs and county traffic officers effective April 10, 1984.

- 1983 Wisconsin Act 255 repealed the "double-dipping" provision created by Chapter 38, Laws of 1979.

- 1983 Wisconsin Act 247 allowed Milwaukee City and County Retirement Systems subject to Department rules, to invest all or part of their assets in the fixed and variable investment trust funds.

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- 1983 Wisconsin Act 267 allowed elected officials covered under Wisconsin Retirement System for both part-time elected service and other employment to receive an annuity after terminating the other employment and waiving future coverage for the part-time elected service.
- 1983 Wisconsin Act 290 extended the state's deferred compensation program to local governments in July 1984.
- 1983 Wisconsin Act 394 provided a supplemental benefit increase paid from general fund appropriations to Wisconsin Retirement System annuitants who were receiving an annuity on September 1, 1974. Increase was the smaller of \$40 or 20% of the original annuity.
- 1983 Wisconsin Act 504 changed the sick leave conversion credit program for state employees to a pre-funded program with a new contribution rate effective July 1, 1985.

1985

- 1985 Wisconsin Act 29 made several changes affecting Wisconsin Retirement System participants. It authorized:
 - The Group Insurance Board to offer group health insurance to local units of government.
 - The Group Insurance Board to offer income continuation insurance to local units of government.
 - The Group Insurance Board to offer to provide insurance plans for Wisconsin Retirement System annuitants and their dependents.
 - An additional member with no investment experience requirement to sit on the State of Wisconsin Investment Board.
- 1985 Wisconsin Act 151 required that, for annuities effective on or after August 1, 1986, all Wisconsin Retirement System participants married for at least one year must select a joint and survivor annuity option unless the participant's spouse approves a different annuity option.
- 1985 Wisconsin Act 230 added an annuitant to the Group Insurance Board.

1987

- 1987 Wisconsin Act 27 made several changes affecting the Wisconsin Retirement System. They included:
- State of Wisconsin Investment Board - Authorized board members, employees or agents to serve as directors of corporations, to represent the board at shareholder meetings and to allow employees to serve as an officer of a corporation in which the board currently owns stock.
 - Outside Investment Managers - Authorized the State of Wisconsin Investment Board to utilize outside investment managers for investments in real estate, mortgages, equities and debt of foreign corporations and governments.

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- Accumulated Sick Leave Program - Limited the amount of unused sick leave accumulated after the bill's effective date which could be converted to credits for payment of health insurance premiums for University of Wisconsin System faculty and academic staff.
- Hazardous Duty Employment - Reduced the benefit for state employees employed in hazardous employment classifications and injured in the course of their employment from 100% of their base salary rate to 70%. They continued to earn sick leave and vacation credits at the full accrual rate.
- Chiropractic Insurance Coverage - Mandated chiropractic insurance coverage for all state health insurance plans.

- 1987 Wisconsin Act 43 repealed the statutory limitation on the distribution of the fixed annuity reserve surplus in the public employee trust fund. The act required the 1988, 1989 and 1990 distribution of annuity reserve surpluses in excess of the salary index to be equitably distributed among those annuitants whose annuities had not kept up with inflation.

- 1987 Wisconsin Act 62 granted creditable military service to WRS participants for active service in the U.S. armed forces military reserve.

- 1987 Wisconsin Act 107 allowed retired public employees receiving a WRS annuity and have Medicare coverage to elect group health insurance coverage under the state's plan.

- 1987 Wisconsin Act 138 created a new method for recomputing the annuity of a WRS annuitant who re-enters service after receiving an original annuity.

- 1987 Wisconsin Act 356 authorized the Group Insurance Board to develop a long-term care insurance plan for annuitants and employees.

- 1987 Wisconsin Act 363 revamped the Section 40.65 duty disability program and shifted responsibility from the Department of Industry, Labor and Human Relations to ETF.

- 1987 Wisconsin Act 372 incorporated federal law changes into Chapter 40.

- 1987 Wisconsin Act 399 authorized the Employee Reimbursement Account Program under the direction of the Employee Trust Funds Board. The program allows state employees to contribute a fixed amount of pre-tax income to an account to pay for certain benefits (medical and dependent care), resulting in tax savings to participants. It also allows an employee share of the state group life and group health insurance benefits to be paid on a pre-tax basis.

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- 1989**
- 1989 Wisconsin Act 13 (Early Retirement Bill) made the following benefit changes under the WRS:
 - Early Retirement Window - for participants terminating employment after May 16, 1989 and before July 1, 1990 with a minimum age of 55 and 30 years of service (rule of 62/23) for all employees, except protectives.
 - Normal Retirement Age – after July 1, 1990 retirement age of 65 for general employees and age 62 for elected officials. Protectives NRA changed to 54 with less than 25 years of service and age 53 with 25 years or more of creditable service effective 7/1/90.
 - Actuarial Reduction – for general, elected/executives permanently reduces the monthly actuarial discount (0.4%) for early retirement by .001111% for each month of creditable service with a maximum of 360 months for those retiring on or after 7/1/90.
 - Interest Credits – provides 3% credit limit on separation benefits to participants who terminate on or after 7/1/90 and who began employment after 1981. Eliminates pro rata interest effective 5/16/89 for the year in which the separation benefit is paid.
 - Annuity Vesting – provides that participants initially employed after effective date of the bill must have creditable service in at least 5 calendar years in order to be eligible for an annuity.
 - WRS Participation – changes participation standards from present 600 hours of covered employment to one-third of full-time employment as defined by ETF in rule and changes the two-year expected duration requirement to one year effective 7/1/89 for teachers and 1/1/90 for non-teachers.
 - Creditable Service Presumption – allows participants with at least .75 years of creditable service in any annual earnings period to receive 1.0 years of creditable service for calculation of normal retirement age during the early retirement window and the actuarial discount on or after 7/1/90.
 - Part-Time Teachers – provides for redetermination of service credits for teacher participants in the WRS with service before 7/1/66. The provision grants creditable services for those years when teachers taught less than 120 days in a fiscal year and received no service credit.
 - Retiree Benefits – Recognition of \$500 million from the Transaction Amortization Account (TAA) resulting in an increased dividend to annuitants in May 1990.
 - Employer/Employee Contribution Rates – provides any increases in contribution rates due to benefit improvements after 1990 would be charged to employees and could not be bargained. An increase or decrease in employer and employee contribution rates not due to benefit improvements should equally be employees and employers.
 - WRS Study – A special committee consisting of 8 members to study the rationale for and feasibility of restructuring the WRS would report to the Retirement Research Committee and Legislature by 7/1/91.

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- 1989 Wisconsin Act 14 requires ETF to charge a fee, beginning on 1/1/90 to each state agency with employees eligible to participate in the ERA plan. The fee is determined by a formula approved by the ETF Board. The collected fees are placed in an account maintained by ETF to pay the third party administrator and ETF administrative costs.
- 1989 Wisconsin Act 31 (biennial budget) created a new Deferred Compensation Board attached to ETF and established independent authority for the Board to act on matters affecting the deferred compensation program.
- 1989 Wisconsin Act 93 extends health insurance coverage to all children of an eligible employee's minor child (grandchild) until the employee's minor child attains age 18.
- 1989 Wisconsin Act 110 extends the period of eligibility for Milwaukee teachers participating in the WRS who elected a special death benefit before 1/1/82 from within one year after retirement to a time period determined by the actuary and approved by the ETF Board.
- 1989 Wisconsin Act 116 allows a member or employee of the State Legislature or legislative service agency who did not receive creditable service under the WRS for performing certain legislative service to purchase such service.
- 1989 Wisconsin Act 129 requires group health insurance plans, including HMOs, PPO's, cooperative sickness care associations and the state group health insurance plans to cover mammograms used to detect breast cancer.
- 1989 Wisconsin Act 166 changes the time period to appeal certain determinations made by DETF if a written appeal is received within 90 days after the determination is mailed. Changes the time period an annuitant may change his/her annuity from 30 to 60 days.
- 1989 Wisconsin Act 182 makes technical and policy changes to the group life insurance program administered by ETF including: filing time of applications; continuation of coverage after termination; and ability to convert post retirement life insurance to pay for health or long-term care insurance.
- 1989 Wisconsin Act 189 grants creditable service to UW instructional faculty for earnings related to teacher improvement leave granted in a contract between 9/1/64 to 8/31/67 to purchase up to one year of creditable service for the period of the leave.
- 1989 Wisconsin Act 201 requires insurance coverage by all plans offered to state employees for the full cost of any and all drugs prescribed for HIV treatments.

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- 1989 Wisconsin Act 218 required ETF to divide a WRS participant's rights and benefits in accordance with a qualified domestic relations order (QDRO).
 - 1989 Wisconsin Act 230 grants creditable military service for service in U.S. maritime service, including the Merchant Marine.
 - 1989 Wisconsin Act 240 eliminates the pre-1968 requirement that a state motor vehicle inspector at the Department of Transportation is classified as a protective occupation participant under the WRS. The bill extends the protective occupation status to all motor vehicle inspectors.
 - 1989 Wisconsin Act 323 establishes a retirement reciprocity for participants of the WRS, City of Milwaukee and County of Milwaukee retirement systems to combine their service and earnings under such retirement programs for benefit computation purposes.
 - 1989 Wisconsin Act 327 grants creditable service under the WRS for service as junior teacher under the State Teachers Retirement System not previously covered.
 - 1989 Wisconsin Act 336 (Mini-Budget) made two changes affecting ETF:
 - Allows Milwaukee County District Attorney's Office employees who are not vested in the county retirement system to receive creditable service in the WRS; and
 - Allow every district attorney as a state employee in the district attorney's office to be eligible for the deferred compensation and employee-reimbursement account plan programs offered by ETF.
 - 1989 Wisconsin Act 355 allows state and certain local employees who are eligible for a disability annuity to avoid delay of the start of the annuity by converting accumulated unused sick leave to credits for payment for health insurance premiums.
 - 1989 Wisconsin Act 357 classifies paramedics and ambulance attendants as protective occupation participants under the WRS.
- 1991**
- 1991 Wisconsin Act 24 extended eligibility and employer contributions for health insurance premiums for coverage under the state's group health insurance program for state employees who left state employment to participant in Operations Desert Shield or Desert Storm.
 - 1991 Wisconsin Act 39 (Biennial Budget) made various changes related to retirement, group insurance and other fringe benefits offered to public employees. The act:

- Allowed state constitutional officers, legislators, state agency heads appointed by the Governor and heads of legislative service agencies who terminate WRS employment to be eligible for state health insurance coverage when they apply for WRS retirement benefits. They need not furnish evidence of insurability, regardless of their age at the time WRS employment terminates. These individuals can retain their accumulated sick leave and convert it, when applying for retirement benefits, to pay for post-retirement health insurance premiums under the state program. The act allowed them to convert their unused sick leave at the salary rate they would have received on the date of the conversion if he or she had continued in the vacated position. This last provision was subsequently amended by Act 181.
 - Allowed certain state executive employees to receive creditable service for service not previously credited if the employee pays ETF a lump sum amount defined by statute. The provision only applies to those who leave WRS covered service, had not previously received creditable service because of a pre-1988 statutory age restriction and were also an elected official or an appointee of an elected official. Prior law required these employees to pay ETF a lump sum sufficient to fund fully the costs of the increased benefits.
 - Made most district attorneys immediately eligible for employer contributions toward state group health coverage and for coverage under the state group life and income continuation insurance programs. Under prior law, a district attorney was not eligible for these benefits until employed for 6 months.
 - Permitted state employees to claim reimbursement under the Employee Reimbursement Account program for the premium they pay for coverage under a group insurance plan provided by ETF or approved by the Group Insurance Board as long as the reimbursement complies with federal codes. The act required that the ERA reductions offset the maximum amount of deferrals under the state's deferred compensation plan.
 - Required ETF to consider an application for a disability annuity approved before the participant's death if the WRS participant dies before ETF can approve the application provided the application meets other requirements and one physician certified the participant as disabled. Prior law required a certification by two physicians, rather than one.
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- 1991 Wisconsin Act 45 removed the sunset date and made the health insurance mandate for the treatment of diabetes permanent after January 1, 1992, and clarified the scope of the mandate. The mandate applied to all health insurance plans offered by the Group Insurance Board.

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- 1991 Wisconsin Act 70 prohibited indemnity health insurance policies that offer pharmaceutical coverage through mail order plans from excluding coverage for the same drugs or devices provided by a pharmacist or pharmacy, chosen by the insured, that agrees to abide by the same terms as the mail order pharmacy. The plan may not apply different deductibles, copayments or improvement provisions for the drugs or devices obtained from the mail order company than from the independent pharmacy. The law applied to the standard plans offered by the Group Insurance Board.
- 1991 Wisconsin Act 107 increased from 5 to 10 years the period during which a retired state employee may delay the use of accumulated sick leave credits to pay for post-retirement health insurance coverage under the state employee plan.
- 1991 Wisconsin Act 113 allowed any retired state employee receiving an annuity and certain former state employees to purchase coverage under the state group health insurance program by furnishing evidence of insurability satisfactory to the insurer.
- 1991 Wisconsin Act 116 added an annuitant, elected by other WRS annuitants, to serve on the Employee Trust Funds Board and the Retirement Research Committee (RRC). It also changed from 8 to 10 members the number of members of the RRC necessary to constitute a quorum and gave the ETF Secretary the authority to designate someone to represent him or her on the Joint Survey Committee on Retirement Systems and the RRC.
- 1991 Wisconsin Act 123 removed from current law the condition that a member of the insured's family be covered by a disability insurance policy in order to provide coverage for newborn children of the insured, and instead mandated that all disability insurance policies provide coverage from birth for newborn children of the insured.
- 1991 Wisconsin Act 141 allowed rollovers from qualified pension plans to the WRS and allowed a participant to designate the WRS as a pay-out option for the state's deferred compensation plan.
- 1991 Wisconsin Act 152 made various changes affecting the WRS, group insurance and other benefit plans offered to public employees. The Act:
 - Required that a reduced annuity shall automatically convert to a straight-life annuity payable until the participant's death if: (1) the participant had chosen an annuity at retirement that would continue to pay benefits to the participant's beneficiary in the event of the participant's death, but (2) the beneficiary dies within 5 years of the participant's retirement. Under prior law, the participant would have continued to receive the lower annuity in the event the beneficiary died shortly after the participant retired.

- Allowed any state employee who has attained 20 years of creditable service to continue his or her coverage under the state group health insurance program if he or she is: (1) insured under the state plan at the time of termination; (2) leaves state service without withdrawing the accumulated contributions from the WRS; (3) is not eligible for an immediate WRS annuity; and (4) if eligible, receives Medicare coverage.
 - Provided that an individual, who receives a WRS annuity and is rehired by a WRS employer, continues to receive the annuity unless he or she files a written election with ETF to be included as a participating employee. Prior law required ETF to terminate the annuity after the participant's annual earnings with the new employer exceeded a certain limit and required the new employer to include the individual as a participating employee.
 - Permitted an employee to appeal an employer's determination that the employee is not a participating employee or a protective occupation employee directly to the ETF Board. Prior law required the employee to appeal the employer's determination to ETF, subject to review by the ETF Board.
 - Specifies that only the Circuit Court of Dane County may review a decision of the WI Retirement Board, the Teachers Retirement Board, the Group Insurance Board, the Deferred Compensation Board or the ETF Board.
 - Required ETF to add interest to a payment that corrects a WRS retirement or disability annuity underpayment if the underpayment was not corrected for at least 12 months.
 - Provided for monthly proration of annual interest earnings on retirement contribution accumulations when calculating lump sum money purchase annuities under the WRS.
 - Allowed a participating employee to use part or all of the additional contributions that he or she made to the WRS to purchase previously forfeited creditable service.
 - Provided that an employee who is employed in a position that would otherwise be covered under the WRS is not covered under the WRS as a participating employee if the employee is under 20 years of age and is regularly enrolled, or is expected to be regularly enrolled, as a full-time student in a public, private or parochial high school.
 - Clarified the method used by the State of Wisconsin Investment Board to determine the value of the assets of the fixed and variable retirement funds.
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- 1991 Wisconsin Act 203 authorized the Board of Regents of the UW System to deduct contributions from the salaries of football coaches employed in the UW System who are eligible for and wish to participate in a qualified cash or deferred compensation plan for football coaches.
 - 1991 Wisconsin Act 229 provided for the continued accrual of retirement benefits under the WRS for UW System faculty on sabbatical leave.

Legislative Session

Historical Provision

- 1991 Wisconsin Act 269 (Budget Adjustment Bill) made the following changes to the statutes:
 - Eliminated “salary indexing” the value of the accumulated sick leave for elected or appointed officials that was included in 1991 WI Act 39. The new law now allowed these officials to convert accumulated sick leave to pay for post-retirement health insurance premiums at the person’s base rate at the time he or she terminated.
 - Changed the annual earnings period under the WRS for justices and judges from the calendar year to the period from on July 1 through the following June 30 of each year.
 - Authorized the Group Insurance Board to contract with the Office of Health Care Information and other entities to collect and analyze data from HMOs and other insurers that provide health insurance to state employees.
 - Created a provision that allows WRS participating employees to receive additional creditable service as employees of non-WRS governmental entities if the participants pay ETF an actuarial determined lump sum equal to the value of the requested additional creditable service.

1993

- 1993 Wisconsin Act 16 (biennial budget) increased administrative funding and position authority for ETF to continue development of information technology systems, provide increased counseling services to participants and implement the long-term disability insurance program. The Act also created charter schools operated by public school districts and allowed charter school teachers to participate in the WRS.
- 1993 Wisconsin Act 229 increased the minimum (from \$43 to \$100) and maximum (\$112 to \$200) thresholds for lump sum annuities.
- 1993 Wisconsin Act 263 allowed cities, counties, villages and towns to create local exposition districts and included the districts under the definition of “employer” for purposes of Chapter 40.
- 1993 Wisconsin Act 360 allowed participants in the WRS to purchase creditable service that was earned as an employee of a WRS participating employer prior to the time the employer joined the WRS. It also required ETF to promulgate rules to establish rates for participants to purchase prior service and allocated \$10,000 in the Department’s appropriation to pay for actuarial services to establish the rates.
- 1993 Wisconsin Act 383 granted the Milwaukee federated library system the same powers as multi-county library systems and authorized the Milwaukee federated library system to elect to join the WRS.
- 1993 Wisconsin Act 426 required that both the participant and the participant’s spouse must file an application for a lump sum payment if the parties have been married at least one year prior to filing the application.

Legislative Session

Historical Provision

- 1993 Wisconsin Act 450 required health care coverage plans offered by the Group Insurance Board to state and local employees to provide coverage for lead poisoning screenings for children under 6 years of age provided the screenings comply with rules promulgated by the Department of Health and Family Services.
 - 1993 Wisconsin Act 490 made minor technical changes to Chapter 4.
 - 1993 Wisconsin Act 491 made minor technical changes to Chapter 4.
- 1995**
- 1995 Wisconsin Act 81 provides the maximum amount of annual compensation that may be considered for retirement benefit purposed under the WRS is \$150,000, with limited future indexing to the rate of inflation. Formerly, there was no maximum amount.
 - 1995 Wisconsin Act 88 authorizes the secretary of DER to recommend to the Joint Committee on Employment Relations a program, administered by ETF, that provides additional health insurance premium credits to a nonrepresented state employee or elected state official based on the employee's or official's years of continuous service, accrued accumulated sick leave and any other factor recommended by the DER secretary.
 - 1995 Wisconsin Act 89 requires ETF to administer a program that provides additional health insurance premium credits to any represented state employee whose collective bargaining agreement provides for such credits, based on the employee's years of continuous service, accrued accumulated sick leave and any other factor recommended by the DER secretary.
 - 1995 Wisconsin Act 216 makes changes to certain fringe benefits of public employees. The Act:
 - Provides that graduate students and employees-in-training at the UW Hospitals and Clinics Authority are not eligible for participation in the WRS, but are eligible for health insurance coverage under a state group health insurance plan established by the Group Insurance Board.
 - Consolidates certain provisions of Acts 88 and 89 to provide that ETF is only required to administer a health insurance premium credits program if it conforms to the program established under the compensation plan and provided by JCOER. Provides that employees of the UW Hospitals and Clinics Authority are eligible for participation in the program, if the authority elects to cover its employees in the program.

Legislative Session

Historical Provision

- 1995 Wisconsin Act 240 grants credit to any former state employee for the payment of post retirement health insurance health insurance premiums under the state group health insurance program for accumulated unused sick leave earned for service in Wisconsin as a National Guard technician prior to 1966, provided that the employee terminated all creditable service under the WRS before July 1, 1972.
- 1995 Wisconsin Act 289 imposes a number of requirements on insurers with respect to group health insurance, including requirements related to limiting or waiving preexisting condition exclusion or limitation periods, offering coverage to all eligible employees in a group, providing coverage to certain employees who previously waived coverage, terminating and renewing health insurance contracts, and prohibiting insurers from considering pregnancy as a preexisting condition.
- 1995 Wisconsin Act 302 specifies that the WRS is established as a governmental plan and a qualified plan for federal income tax purposes and provides that no benefit plan administered by ETF may be administered in such a manner as to violate the U.S. Internal Revenue Code provisions for governmental plans. In addition, the Act:
 - Establishes time frames for locating a primary and secondary beneficiary of a participant in the WRS;
 - Provides for the distribution of a participant's benefits no later than the April 1 of the calendar year in which the participant attains the age of 70.5 years;
 - Provides the maximum annual annuity amount is the lesser of \$120,000 or 100% of a participant's three annual earnings periods in which his or her earnings are highest;
 - Provides the maximum annual amount of contributions under all contribution plans is the lesser of \$30,000 or 25% of a participant's earnings in that year.
- 1995 Wisconsin Act 358 authorizes a school board to adopt a resolution to issue a promissory note for the purpose of paying unfunded prior service liability contributions under the WRS without publishing or posting a notice of the resolution and thus exposing the resolution to a petition for a referendum.
- 1995 Wisconsin Act 381 changes the annual earnings period used for calculating a WRS retirement annuity for educational support personnel employees (school district employees who are not teachers or professional employees) from the calendar year to the school year.
- 1995 Wisconsin Act 414 (remedial legislation) makes various changes to laws affecting fringe benefits of public employees. The Act:

- Provides that any participant in the WRS who is entitled to an annuity in a specific amount for a period of less than 10 years and who also has a retirement account under a different retirement plan in the U.S. may request that ETF pay the lump sum payable under the WRS annuity directly to the other retirement plan.
- Provides that monies or credits in an account under the WRS of a person who is presumed to have died intestate (without a will) or in an account that is presumed to be abandoned are to be transferred from the employee reserve to the employer reserve of the employee trust fund at the end of the fifth calendar year after ETF has published in the official state newspaper notice of the person who is presumed to have died intestate or whose account is presumed to be abandoned.
- Authorizes the ETF Board to transfer in whole or in part the assets and reserves held in any account in the employee trust fund to a different account in the fund, for the purpose of providing any group insurance benefit offered by the Group Insurance Board.
- Provides that, if a person who is of the minimum retirement age under the WRS (age 50 for protectives and age 55 for all other WRS participants) but who has not applied for a WRS retirement annuity applies for long-term disability insurance benefits and the person is rejected for those benefits by ETF, ETF shall consider the application for the long-term disability insurance benefits as an application for a WRS retirement annuity, effective on the date that the application is filed.

1997

- 1997 Wisconsin Act 26 restores supplemental benefits paid to certain annuitants in the WRS that were eliminated in 1987 and replaced with a “Special Investment Performance Dividend”, which substituted for general purpose revenue payments dividends paid from earnings of the fixed retirement investment fund of the employee trust fund. In 1997, the Wisconsin Supreme Court in *Retired Teachers Association v. Employee Trust Funds Board*, ruled unconstitutional the SIPD legislation. The Act also authorizes the payment of an additional supplemental benefit to be paid to WRS annuitants who had annuity effective dates before October 1, 1974 and who were receiving the SIPD.
- 1997 Wisconsin Act 27 (biennial budget) makes the following changes affecting the WRS and its programs:
 - Requires ETF to include its toll-free telephone number on all publications that are printed and distributed.
 - Changes the definition of “earnings” and the calculation of “final average earnings” under the WRS with respect to the compensation received by state senators. Under the state constitution, state senators are prohibited from receiving salary increases during certain parts of their terms in office. The Act provides that the earnings of a state senator for WRS purposes are the salary that they would have received had they been eligible to receive a salary increase during those parts of their terms in office.

- Conforms state law to the federal Health Insurance Portability and Accountability Act (HIPAA) of 1996, which imposes various requirements for group health insurance plans, including requirements related to portability, preexisting conditions, contract termination and renewability and guaranteed acceptance.
- Eliminated the Small Employer Health Insurance Plan, which was a basic benefits health insurance plan to employers with 2 to 25 employees.
- Requires a health insurance policy or self-insured health plan of the state or local entity:
 - That covers diagnostic or surgical procedures involving a bone, joint, muscle or tissue to cover diagnostic procedures and medically necessary surgical or nonsurgical treatment for the correct of temporomandibular disorders;
 - To cover hospital or ambulatory surgery center charges, including anesthesia charges, that are incurred when dental care is provided in a hospital or ambulatory surgery center to a covered individual who is under the age of 5 years, who has a chronic disability or who has a medical condition that requires hospitalization or general anesthesia for dental care;
 - That covers a mastectomy to cover reconstruction of the affected tissue incident to a mastectomy;
 - Allows a group health insurance policy to apply its coverage for treatment of alcoholism and other drug abuse problems and nervous and mental disorders any deductible that applies to other coverage under the policy;
 - Allows Milwaukee school district to determine if the charter schools with which it contracts are or are not instrumentalities of the school district. Under previous law, charter school teachers were covered under the WRS. UW-Milwaukee, Milwaukee City Common Council or the Milwaukee Area Technical College may now establish a charter school. A charter school established by the UWM or MATC are not instrumentalities of the school district, but one with which the city contracts is an instrumentality.
- 1997 Wisconsin Act 30 provides that certain participants in the WRS may receive a Social Security integrated annuity that is payable on a monthly basis if the amount of the annuity that they receive after attaining the age of 62 would be greater than \$41 monthly. All other participants in the WRS may receive an annuity that is payable monthly only if the amount of the annuity that they would receive after attaining the age of 62 is equal to or greater than \$100 monthly, adjusted annually to reflect any increase in the cost of living.
- 1997 Wisconsin Act 58 reduces the minimum age at which participating employees in the WRS are eligible for joint survivor death benefits to age 50 for a participating employee in a protective occupation and to age 55 for other participating employees.

- 1997 Wisconsin Act 69 eliminates a five-year vesting requirement for participating employees in the WRS to receive an annuity effective April 24, 1998. Participants still subject to the five-year vesting requirement are those participants who were first covered under the WRS on or after January 1, 1990 and terminated WRS employment before April 24, 1998. These participants must have some creditable service in at least five separate calendar years to be eligible for a retirement benefit.
- 1997 Wisconsin Act 110 makes various remedial changes affecting the WRS. The Act:
 - Provides for an exception to the general requirement that if an employee's employment with a participating employer in the WRS terminates after a period of service of fewer than 30 calendar days, the employee is not eligible for WRS coverage for that period of service;
 - Provides that any application for a WRS benefit, any designation by a participant of a beneficiary or any other document which has a long-term effect on a participant's rights and benefits under the WRS and which requires a signature may be signed and filed by the guardian of the estate of a participant when accompanied by a photocopy or facsimile of a guardianship order issued by a circuit court judge or a register in probate or a probate court commissioner;
 - Substitutes the term "named survivor" for "beneficiary" as the survivor under a joint and survivor annuity under the WRS.
- 1997 Wisconsin Act 125 provides that a participant in the WRS whose marriage was terminated between January 1, 1982 and April 27, 1990, may have his or her WRS benefits divided pursuant to a qualified domestic relations order. The QDRO will not apply to benefits already paid or to closed accounts.
- 1997 Wisconsin Act 149 requires that supplemental compensation paid to state employees who are classified as teachers, teacher supervisors or education directors for completing certain educational courses be included as part of the employee's basic pay rates for the purpose of valuating unused sick leave credits under a WRS program that permits state employees to use the credits to pay health insurance premiums. This change increases an employee's basic pay rate by the amount of any supplemental compensation, thereby increasing the valuation of the employee's sick leave credits.
- 1997 Wisconsin Act 162 changes the annual earnings period used for calculating a WRS annuity for technical college educational support personnel employees from calendar year to the school year (fiscal year).

Legislative Session

Historical Provision

- 1997 Wisconsin Act 173 creates a presumption for municipal fire fighters who contract cancer that the cancer was caused by their employment as municipal fire fighters. The Act applies to fire fighters who have served 10 years as a fire fighter and become disabled or die due to cancers affecting the skin, breasts, central nervous system, or lymphatic, digestive, hematological, urinary skeletal, oral or reproductive systems. The presumption may be used in qualifying for disability or death benefits under any pension or retirement system applicable to fire fighters.
- 1997 Wisconsin Act 191 increases the power and authority of the Department of Workforce Development to establish and enforce obligations to pay support, including child support, family support, maintenance and other support-related payments. Specifically, in relation to the WRS:
 - Creates a lien on any lump sum pension payment that may be paid by ETF, by a retirement system of the city of Milwaukee, by a retirement system established by a county government or by a private pension plan to a person who owes delinquent support.
- 1997 Wisconsin Act 202 provides an additional enrollment period for health care coverage for limited term and part-time state employees who are participating employees in the WRS.
- 1997 Wisconsin Act 237 (budget adjustment bill) makes various changes affecting fringe benefits of public employees. The Act:
 - Authorizes the Department of Revenue to attach benefit payments to participants in the WRS to satisfy delinquent tax obligations;
 - Makes probation and parole officers protective occupation participants under the WRS;
 - Modifies the maximum annual benefit and contribution limits under the WRS to conform to those limits specified in the federal IRC, without respect to the year;
 - Requires the Joint Survey Committee on Retirement Systems to contract an actuarial analysis of the impact on the WRS of an optional retirement plan (ORP) and to report those results to the Legislature by January 1, 1999. After receipt of the actuarial analysis, the UW Board of Regents shall submit recommended legislation establishing the ORP to the Legislature no later than June 1, 1999.
- 1997 Wisconsin Act 238 makes changes to the charter school law relating to contracting, converting private schools to charter schools and determining whether a charter school is an instrumentality of the school district in which it is located.
- 1999 Wisconsin Act 9 (biennial budget) makes various changes relating to the fringe benefits of public employees. The Act:

- Creates the Private Employer Health Care Coverage Program attached to ETF in which employers in the private sector may purchase health insurance coverage for their employees. Requires ETF, in consultation with OCI, to design an actuarially sound health care coverage plan that will provide coverage beginning no later than January 1, 2001. Creates a 13-member Private Employer Health Care Coverage Board with DETF Secretary as non-voting member. DETF is required to solicit and accept bids and make every reasonable effort to enter into a contract for the administration of the health care coverage plans. The program sunsets on January 1, 2010.
- Makes the administrator of the Division of State Patrol in DOT a protective occupation participant in the WRS if the individual is certified as a law enforcement officer by the Law Enforcement Standards Board.
- Changes prior law to require the state to pay, immediately upon hiring rather than after a person has been employed for six months, the employer's contribution for state health insurance for faculty and academic staff employees of the UW System who are WRS participants.
- Grants to individuals who were district attorneys in Milwaukee County before transferring to state service on January 1, 1990, and who were state employees on October 29, 1999, creditable service under the WRS for their years of service as district attorneys in Milwaukee County.
- Covers employees of family care districts under the WRS, including disability insurance, local group health insurance, state deferred compensation program and state income continuation program.
- Exempts municipal fire fighters that smoke cigarettes or use tobacco products after January 1, 2001, from the presumption that the cancers caused by the smoking or tobacco product use was caused by the fire fighter's employment.
- Requires an employer that offers its employees health care coverage through a health maintenance organization or a preferred provider plan also to offer a point-of-service option plan, which is a health maintenance organization or preferred provider plan that permits an enrollee to obtain covered health care services from providers that are not participating providers of the health maintenance organization or preferred provider plan and for which the enrollee pays any additional costs or charges.
- Prohibits a managed care plan, such as a health maintenance organization, that provides coverage of obstetric or gynecological services from requiring a female enrollee to obtain a referral for covered obstetric or gynecological services from a participating provider of the managed care plan who specializes in obstetrics and gynecology, regardless of whether the provider is the enrollee's primary provider.

- Changes the cost-sharing amount that a group health insurance policy may impose for coverage of treatment for nervous and mental disorders and alcoholism and other drug abuse problems from a maximum of 10% to the amount or level charged generally under the policy.
- 1999 Wisconsin Act 11 makes a number of changes affecting benefits provided to participants under the WRS. The Act:
 - Increases the percentage multiplier by .165 for all classes of participants in the WRS for creditable service that is performed before January 1, 2000. For all creditable service that is performed on or after January 1, 2000, the prior law percentage multipliers apply.
 - Increases the maximum formula benefit limit from 65% to 70% of final average earnings for all employment categories except the protective categories.
 - Permits any WRS participant who is a participating employee on January 1, 2001 to have 50% of future required and additional contributions deposited in the Variable Trust.
 - Authorizes ETF Board to adjust the unfunded prior service liability balance of the WRS and of each WRS employer to reflect any changes in certain assumptions used to value the liabilities of the WRS.
 - Eliminates the 5% interest crediting cap and restores the effective rate interest crediting to post-1981 member accounts.
 - Eliminates the Transaction Amortization Account over five years and creates a Market Recognition Account to accelerate the distribution of gains and losses on assets to WRS participants.
 - Increases active participant death benefit for those participants who die before reaching minimum retirement age (age 55 or 50 if protective) to include the employee required and matching employer contributions plus any voluntary additional contributions in the employee's account. Eliminates the restriction that the beneficiary be a spouse, dependent child(ren), or a trust in which there is a beneficial interest. Instead, requires the beneficiary be a natural person or trust in which a natural person has a beneficial interest.
 - Allows legislators and legislative service agency employees to purchase creditable service under the WRS for any service not previously credited.
 - Increases the actuarial assumptions for across-the-board salary increases from 3.2% to 3.4% for the purpose of valuing the liabilities of the WRS.

Note: On December 29, 1999, in *Employee Trust Fund Board v. Lightbourn*, Case No. 99-3297-OA, the Wisconsin Supreme Court enjoined DETF and DOA from implementing or enforcing the Act until further ordered by the Court.

Legislative Session

Historical Provision

- 1999 Wisconsin Act 12 permits an estate (or any other non natural person) to be the beneficiary of a WRS participating employee who at the time of death was age 55 or older, or was 50 or older if was a protective occupation participant. The Act corrects an unintended effect of Act 11 that prevented an estate from being named the beneficiary of a participating employee.
- 1999 Wisconsin Act 13 requires the state to pay the employer contributions for health insurance coverage for a state employee who is activated to serve on military duty in the U.S. armed forces, other than for training purposes, if the employee is insured under the State Health Insurance Program and he or she has been granted a military leave of absence by the state.
- 1999 Wisconsin Act 95 prohibits and restricts, with various exceptions and qualifications, a number of insurance practices on the basis of whether an insured or prospective insured, or a member of an insured's or prospective insured's family, is or is believed to be a victim of domestic abuse. The Act requires an insurer that denies a person coverage under a health or life insurance policy to provide the reasons for the denial in writing.
- 1999 Wisconsin Act 104 eliminates the 10 year time period under former law within which a state employee was required to use his or her accumulated unused sick leave for the purchase of state group health insurance.
- 1999 Wisconsin Act 115 requires a health insurance policy including managed care plans, or a self-insured health plan of the state or a county, city, village or school district, that provides coverage for dependents to cover certain specified immunizations (diphtheria, pertussis, tetanus, polio, measles, mumps, rubella, hemophilus influenza B, hepatitis B, and varicella) for a child of the insured from birth to six years of age.
- 1999 Wisconsin Act 155 requires, with some exceptions, every insurer that issues a health benefit plan to provide an internal grievance procedure under which an insured may submit a written grievance to a panel for investigation. The panel must consist of at least one person authorized to take corrective action and at least one insured other than the grievant. Requires that every insurer issuing a health benefit plan provide an independent review procedure under which an insured who receives an adverse determination related to coverage and who has gone through the plan's internal grievance procedure may have the adverse determination reviewed by an independent review organization not affiliated with the insurer and that is certified by the Commissioner of Insurance. The independent review organization's decision is binding on both the insured and the insurer.

Legislative Session

Historical Provision

- 1999 Wisconsin Act 181 increases the membership of the Employee Trust Funds Board by an additional member who must be a WRS participant and either a school district employee or a technical college district employee, but not a teacher.
- 1999 Wisconsin Act 185 changes the spelling of “employee” with one “e” to “employee” with two “ee” in the Wisconsin Statutes. The Act allows either spelling for official purposes. DETF began using “employee” after the effective date of the Act (September 1, 2000).

2001

- 2001 Wisconsin Act 16 (biennial budget) makes various changes relating to the WRS and other benefit programs. The Act:
 - Authorizes 1.0 FTE ombudsperson to meet the standards established for health insurance complaint review and resolution by resolving insurance complaints within 65 days of receipt.
 - Authorizes the Department Secretary equity authority to resolve certain appeals and grants the governing boards the authority to settle a dispute of an appeal taking into account relevant factors such as the cost of litigation, likelihood of success of appeal and actuarial impact on the fund.
 - Implements a new Independent Record Review process to provide an impartial review of appeals that would otherwise advance to the formal appeals process.
 - Provides ongoing funding for specialized counsel to advise the Board(s) and Department involving tax qualification of public retirement plans, Internal Revenue Code interpretations and private letter ruling requests with the Internal Revenue Service.
 - Creates the Qualified Transportation Fringe Benefit for state employees that permits employees to set aside pre-tax income to pay for eligible transportation expenses (parking, bus, van pool, etc.).
 - Extends to state and county firefighters a presumption of employment-related heart or lung disease or cancer for the purposes of claiming duty disability or death benefits (similar to those provided to municipal firefighters).
 - Includes a city-county health department as a participating employer under the WRS for those employees who are included in a collective bargaining unit. The city-county health department is not required to adopt a resolution electing participation in the WRS.
 - Includes Fox River Navigational System Authority under the definition of state agency for purposes of the WRS.
 - Changes provisions of the Private Employer Health Care Coverage Program (PEHCCP) as follows:
 - Authorizes ETF to promulgate rules with PEHCCP Board approval on the administration of the program;
 - Specifies that an “eligible employee” is a person who works on a permanent basis more than 30 hours a week, including a sole proprietor, a business owner, owner of a farm business, a partner of a partnership and a member of a limited liability company;

- Authorizes ETF to subcontract both marketing and maintenance of a toll-free number through the administrator;
- Shifts health plan contracting responsibility from administrator to ETF;
- Directs the PEHCCP Board to publish the new business premium rates for small employers each year;
- Specifies that an employer may offer coverage to part-time employees, to the extent authorized by the insurer;
- Clarifies that an employer must offer coverage to at least 50% of its eligible employees;
- Clarifies that employers must contribute a minimum of 50% of the lowest single coverage rate for that employee;
- Clarifies that agents must be “listed” with each health plan offering coverage and authorizes the Board to establish additional agent training requirements;
- Charges ETF and the PEHCCP Board with determining the extent to which the program guarantees coverage beyond requirements of the outside market; and
- Subjects “occupation” to rate band limitations by moving occupation from case characteristics to risk characteristics.
- Establishes an annual enrollment period in which a retired state employee or surviving insured dependent may elect to initiate or delay continuation of deductions from the retired employee’s accumulated sick leave conversion credit account. The retiree may elect to continue or delay continuation any number of times but may only rejoin the program during the annual enrollment period. The retiree must be covered by a comparable health insurance plan or policy during the suspension of deductions.
- Authorizes limited-term employees (LTEs) to participate in the Wisconsin Deferred Compensation Program.
- 2001 Wisconsin Act 109 (budget adjustment bill) makes various changes relating to the WRS and other benefit programs. The Act:
 - Suspends state employer payroll contributions for both the accumulated sick leave conversion credit program (ASLCC) and the supplemental health insurance conversion credit program (SHICC) for those payrolls between July 1, 2002 and June 30, 2003. The Department of Employee Trust Funds and the State of Wisconsin Investment Board are exempt from the payment suspension.
 - Changes provisions of the Private Employer Health Care Coverage Program (PEHCCP) as follows:
 - Provides \$850,000 general purpose revenue (GPR) loan from the Office of Commissioner of Insurance to fund the operating costs of the PEHCCP to be repaid with interest within a reasonable period of time as determined by the Department of Administration (DOA) Secretary and PEHCCP Board. If the monies aren’t sufficient to make the lapse, DOA pays remaining principle and interest payments after the close of each fiscal year;

Legislative Session

Historical Provision

- Authorizes ETF to seek funding from any person for the payment of costs of designing, marketing, and contracting for administrative services of PEHCCP; and
- Exempts 3.5 FTE GPR positions from any hiring freeze under the bill.
- Allows any state employee, at the discretion of the appointing authority, to take a voluntary furlough not to exceed 8 weeks. The state agency employer would continue to pay the employee's fringe benefit costs, other than for WRS contributions and Social Security, and the employee would continue to accrue benefits (except for WRS creditable service and Social Security credits) as though employment was continuous. All non-federal salary, Social Security and retirement contribution fringe benefit savings not expended by the agency would lapse to the general fund (other than for the ETF and the State of Wisconsin Investment Board).
- Conforms the federal Economic Growth and Tax Reconciliation Relief Act (EGTRRA) of 2001 to Wisconsin state income tax laws for purposes of pension legislation and changes the following provisions for the WRS:
 - Increased the annual maximum benefit payment amount from a defined benefit plan (WRS formula benefit) to \$160,000 (from \$140,000).
 - Increased the annual income that can be used to calculate a defined benefit (earnings amount reported to WRS for benefit calculations) to \$200,000 (from \$170,000).
 - Increased the maximum annual contribution to a defined contribution plan (employee and employer contributions to the WRS) to the lesser of 100% (from 25%) of compensation or \$40,000 (from \$35,000).
- 2001 Wisconsin Act 82 provides health insurance coverage of prescription medications used to treat diabetes.

2003

- 2003 Wisconsin Act 33 (biennial budget) makes various changes to the WRS and other benefit programs. The Act:
 - Changes the provisions of the Private Employer Health Care Coverage Program (PEHCCP) as follows:
 - Eliminates the requirement that the general fund repay a loan of \$850,000 made by the Office of the Commissioner of Insurance in 2002-03 for the administrative costs of the program; and
 - Provides funding in the Joint Committee on Finance appropriation to support operating costs of the PEHCCP.
 - Provides 1.0 FTE Privacy and Compliance Manager project position to implement security and privacy regulation mandates under the Health Insurance Portability and Accountability Act.

- Provides 1.0 FTE Manager of Strategic Health Policy position to participate in the development of strategic partnerships related to health insurance issues, cost containment and quality initiatives, and serve as a resource on health insurance policy to legislators, other state agencies and the public.
 - Implements Group Insurance Board flexibility and changes the state health insurance program as follows:
 - Requires the Board to place each health plan into one of three tiers based upon risk-adjusted cost;
 - Replaces the current 90%/105% premium contribution formula with one requiring the state to pay not less than 80% of the cost of the plans in the lowest tier; and
 - Provides additional flexibility to allow modification of the standard plan to make it more cost effective and compatible with the tiering approach.
 - Requires the Group Insurance Board to develop a purchasing pool for pharmacy benefits that uses a preferred list of covered prescription drugs. The Board shall establish conditions for employers other than the state and individuals to join the purchasing pool.
 - Allows state employees with at least 20 years of creditable service to retain their accumulated sick leave credits without being eligible for an immediate annuity from the WRS.
 - Changes the accumulated sick leave conversion credit and supplemental health insurance conversion credit value calculated at retirement from the current rate in effect to the highest rate of pay earned while employed by the state.
 - Allows WRS participants to transfer funds from certain tax sheltered annuity plans (i.e., Section 403(b), 457, or 401(k) funds) to ETF for the purpose of buying forfeited service, other governmental service and a variety of other types of service.
 - Provides that the state's contribution to the health insurance premium for represented state employees with an appointment of less than .75 FTE would continue to be a subject of collective bargaining. In the absence of any language in a successor collective bargaining agreement pertaining the state's contribution for employees with less than .75 FTE appointment, the state would contribute one-half of the normal state contribution for a full-time employee commencing on January 1, 2004.
 - Enable the state to pay off its unfunded prior service pension liability under the WRS by issuing taxable revenue obligation bonds up to \$750 million. In addition, authorize the state to issue up to \$600 million in bonds to pay off the state's unfunded accumulated sick leave conversion credit program liability
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- 2003 Wisconsin Act 153 establishes in statute that a positive (or negative) dividend will be paid from the fixed annuity reserve if at least a .5% increase (or decrease) is generated in all fixed annuities, unless the Department establishes a different percentage threshold through the administrative rule process.

Legislative Session

Historical Provision

- 2003 Wisconsin Act 160 authorizes the Deferred Compensation Board to divide a participant's account assets pursuant to a domestic relations order issued by a court relating to any marriage that terminated after December 1, 2001.
- 2003 Wisconsin Act 162 provides that certain state employees who are activated to serve on military duty in the U.S. armed forces shall be paid their state salaries, less any military pay and allowances that they receive, during the period in which the employees are on military duty in the U.S. armed forces, unless the military pay and allowances equal or exceed an employee's state salary, and shall continue to accumulate sick leave and vacation as though no interruption in service has occurred. In order to qualify for the payment, an employee must 1) on or after January 1, 2003, be activated to serve on military duty in the U.S. armed forces, other than for training purposes; 2) on the date on which he or she is activated, be either a member of the Wisconsin national guard or a member of the reserve component of the U.S. armed forces or be recalled to active military duty from inactive reserve status; and 3) be on an authorized military leave of absence. An employee receives pay and benefits for not more than 179 days, except that the Governor may extend that period to not more than one year.
- 2003 Wisconsin Act 178 specifies that the minimum coverage limits required for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems do not include costs incurred for prescription drugs and diagnostic testing. The Department of Health and Family Services is authorized to specify, by rule, the diagnostic testing procedures that are not included under the coverage limits. If an insurer pays less than the amount that a provider charges, the required minimum coverage limits apply to the amount actually paid by the insurer rather than to the amount charged by the provider. If an insurance policy contains a provision that is inconsistent with the new provisions, the new requirements will first apply on the date the policy is renewed.

2004

- 2005 Wisconsin Act 25 (Biennial Budget) made various changes affecting:
 - Provided funding and position authority for one position in the Division of Management Services for a privacy and security officer position related to the Department's responsibilities under the federal Health Insurance Portability and Accountability Act (HIPAA).
 - Provided one-time funding of \$150,000 annually under ETF's administrative general program operations appropriation to conduct ongoing evaluations of the long-term value, effectiveness, and quality of existing and proposed health care cost-containment initiatives.

- Deleted the statutory requirement that the Department maintain at least a branch office in Milwaukee. The requirement that ETF maintain a branch office in Milwaukee was established in 1981 when the Milwaukee-based former Milwaukee Teachers Retirement System was merged with the former State Teachers Retirement System and the former Wisconsin Retirement Fund to create the current Wisconsin Retirement System.
- Reassigned the Secretary of ETF to Executive Salary Group (ESG) 7 from ESG 5. As a result of the Secretary's ESG reassignment, the Deputy Secretary moved from ESG 4 to ESG 6, and the Executive Assistant moved from ESG 3 to ESG 5.

- 2005 Wisconsin Act 66 added a new appointed member to the GIB who must be a chief executive or governing board member of a local unit of government.

- 2005 Wisconsin Act 150 (ETF remedial legislation) clarified that the Deferred Compensation Board serves as trustee of any deferred compensation plan under its management in order to conform Wisconsin law with federal Internal Revenue Code requirements.

- 2005 Wisconsin Act 151 (ETF remedial legislation) clarified that the waiver by a beneficiary of all or part of any benefit available to WRS participants or administered by ETF is considered absolute and without right of reconsideration or recovery. Provided that a waiver received after the date on which a beneficiary has commenced a monthly annuity applies to monthly payments payable after the effective date of the waiver.

- 2005 Wisconsin Act 152 (ETF remedial legislation) authorized the disclosure of individual medical information by ETF in the following additional limited situations to conform Wisconsin law to the federal Health Insurance Portability and Accountability Act (HIPAA):
 - When a health insurance claim denial is appealed.
 - Under an order by a hearing examiner when the information is relevant to a pending administrative action.
 - Upon a written authorization that specifically identifies the records that may be disclosed, but only to the person who is the subject of the medical records or the person's designee, unless otherwise prohibited by law.

- 2005 Wisconsin Act 153 (ETF remedial legislation) changed the name of the Fixed Trust Fund to the Core Trust Fund.

- 2005 Wisconsin Act 154 (ETF remedial legislation) provides that the employer is not required to match any other governmental service purchased by a participant for purposes of receiving a WRS death benefit.

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Historical Provision

- 2005 Wisconsin Act 228 required ETF and DHFS to contract with the Wisconsin Health Information Organization (WHIO), which will collect health care data and provide analysis to aid consumers in making better health care choices, help employers better understand their health care benefits and needs, and assist physicians and other health care providers improve their health care service delivery. ETF and DHFS must monitor WHIO's performance and report annually to the Legislature on WHIO's data activities.
- 2005 Wisconsin Act 316 transferred the statutory functions of the Legislature's Retirement Research Committee to the staff of the Legislative Council and eliminated the vacant positions of Retirement Research Director and staff. The staff of the Council was made responsible for the legal and research staff services for the Joint Survey Committee on Retirement Systems and was required to prepare fiscal estimates on bills referred to that committee. The staff of the Council is required to prepare the comparative study of major public employee retirement systems in the country.
- 2005 Wisconsin Act 402 (ETF remedial legislation) changed the Income Continuation Insurance program to allow an otherwise eligible participant to be covered by income continuation insurance despite an employer error in enrolling the employee.

2007

- 2007 Wisconsin Act 131 (2007 Assembly Bill 893). This bill was requested by the Department of Employee Trust Funds (Department). Act 131 will help to streamline Department practices, conform state law to federal law, eliminate certain inequities in current law and, generally, make other technical changes desired by the Department for the efficient operations of Department programs. The effective date was April 5, 2008 except the change in the accelerated payment option, which is effective July 1, 2008. The statutory changes include:
 - Definition of Internal Revenue Code: The act provides that, for the purpose of benefit plans administered by the Department, the definition of "Internal Revenue Code" is the Code adopted by the federal government and not enactments of the Wisconsin legislature.
 - Death Benefits: This act clarifies that the number of guaranteed death benefit payments that are payable to a beneficiary of a participant in the WRS may not exceed the life expectancy of the beneficiary. This clarification will align the law to federal law and current departmental practice.
 - Earnings Definition: This act clarifies the definition of "earnings" for employees serving in a position covered under the federal Uniformed Services Employment and Reemployment Rights Act to comply with federal law for purposes of the WRS.

- **Amortization Period:** Current law requires unfunded prior service liabilities under the WRS to be amortized over a 40-year amortization period. Recent changes in national accounting standards require these liabilities to be amortized over 30 years. This act reduces the amortization period to 30 years for all unfunded prior service liabilities incurred after the bill's effective date (4/5/08).
- **Distribution of Act 11 Credits:** Approximately 6 employers have accrued unfunded liability credit balances remaining, totaling about \$24,000. It is projected that it will take at least 10 more years for the last employer to receive its remaining credit. The act requires that the board complete the credit distribution before January 1, 2009. This will allow the Department to eliminate the current administrative burden.
- **Interest on Moneys Owed to the Department:** This act changes the rate at which interest can be charged from the effective rate to the "assumed rate," which is the projected actuarial rate that is needed to fund the benefits under the WRS, unless the Department sets another rate by rule. By using the assumed rate, the rates charged will be known at the time the receivable is incurred and will not fluctuate as much. In addition, use of the assumed rate will be more compatible with the state's WiSMART accounts receivable information system.
- **Waiver of WRS Benefits:** Current law permits a participant, beneficiary, or distributee of an estate to waive WRS benefits and provides that the waiver is effective on the first day of the 2nd month commencing after the waiver is received by the Department or on the date specified in the waiver, if later. To provide greater consistency and ease of administration for the Department, this act provides that the waiver is effective 30 days after the Department receives it or on the date specified in the waiver, if earlier. The bill also provides that the participant, beneficiary, or distributee may cancel the waiver in writing before the effective date.
- **Attachment of Benefits for Tax Liabilities:** Currently, the Department of Revenue (DOR) may attach WRS benefits for delinquent tax purposes. The act clarifies that the WRS benefits that DOR may attach are WRS annuity payments, lump sum payments, and disability annuity payments. This change codifies current practice.
- **Deferred Compensation Accounts:** Current law authorizes the Department to divide a participant's accumulated assets held in the deferred compensation plan in a manner provided by the deferred compensation board and under s. 40.80 (2r), pursuant to a domestic relations order. This act renumbers the current law provision for more logical placement in the statutes.
- **Appeals to the Group Insurance Board:** This act requires, rather than authorizes, the Group Insurance Board to hear such appeals.
- **Interest on Refunds:** This act allows the Department to pay interest when refunding overpayments or in returning moneys paid to it in error in accordance with its rules and at a rate of interest established by rule.

- **Beneficiaries:** The act eliminates the surviving spouse of a deceased child as a default beneficiary so that assets will pass to the children of the deceased child. In addition, the act adds great-grandchildren and other descendants of the deceased employee and nieces, nephews, and other descendants of the deceased employee's brothers and sisters to the list of default beneficiaries.
- **Life Insurance:** This act clarifies that the application be filed in the manner provided by rule or contract. In addition, the act eliminates a requirement that an eligible employee who did not apply for life insurance when initially eligible cannot apply for that life insurance once he or she reaches the age of 55. Consequently, any employee who does not opt for life insurance during the period of initial eligibility could still get coverage if he or she provides evidence of insurability.
- **Abandonment of Life Insurance Benefits:** Currently, under the WRS, retirement benefits that are payable as the result of the death of a WRS participant are not considered to be abandoned until at least ten years have elapsed. Under this act, a potential beneficiary of a deceased person who was insured under the group life insurance program is treated as having abandoned any claim to the life insurance benefits after receiving notification that a benefit is payable and any necessary application forms, and after failing to apply for the benefit within 12 months of the date of the notification. In addition, the act specifies that any primary beneficiary of a deceased person who cannot be located by reasonable efforts within 12 months after the later of the date of death or the date on which the Department determines the beneficiary became a potential primary beneficiary may be treated as a beneficiary that predeceased the participant and all other potential beneficiaries.
- **Accelerated Payment Option:** This act removes the requirement that the temporary additional pension payment end at the retiree's death if the retiree dies before age 62. Instead, the retiree's named survivor or a beneficiary would continue receiving the temporary additional pension payment through the month in which the retiree would have turned 62.
- **Disability Income Verification:** This act eliminates a requirement that a participant must submit a certified copy of his or her most recent state or federal income tax return to the Wisconsin Retirement Board for income verification purposes under the Duty Disability program. Instead, the act provides that the Wisconsin Retirement Board may require a participant to authorize the Wisconsin Retirement Board to obtain a copy of the participant's tax returns.
- **Wisconsin Act 20 (Biennial Budget) made various changes affecting ETF.**
 - **New positions:** The budget includes 24.5 new (SEG) positions for the Department.

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- Health Insurance for state employees: It provides the state employer contribution for group health insurance premiums to eligible state employees not appointed to a limited-term position after two months of employment. Current law provides this contribution after six months of employment except for faculty and academic staff employed by the University of Wisconsin System (contribution for these employees is provided upon hire). These provisions are effective 7/1/08.
 - Creation of LTC Districts: 2007 Wisconsin Act 20 (the biennial state budget) authorizes expansion of the long-term care program known as Family Care and Act 20 provides both funding authority for Family Care expansion and legal authority to create new public entities known as Long-Term Care Districts to provide the Family Care benefit through the operation of a Managed Care Organization (MCO);
 - The budget also provides \$15,000 of general purpose revenue (GPR) for the Joint Survey Committee on Retirement Systems to fund an actuarial study on proposed legislation (2007 Senate Bill 19) that would modify the statutory provisions governing the granting of military service credits should the Committee choose to request this analysis.
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- Governor Doyle signed 2007 Assembly Bill 764 into law making it 2007 WI Act 218. The act allows long-term care districts to participate in WRS, effective July 1, 2008, so long as the notification from the district is received by the Department on or before May 15, 2008. The July 1 WRS enrollment period created by this act applies to 2008 only.

2009

- 2009 Wisconsin Act 14 requires health insurance coverage of hearing aids and cochlear implants for eligible persons less than 18 years of age. The Act was published on June 5, 2009 and the effective date is January 1, 2010.
- 2009 Wisconsin Act 15 requires the Department of Health Services to create a Milwaukee County Enrollment Services unit for income maintenance. It also provides that certain Milwaukee County employees in this unit who are hired into state positions may elect to participate in the Wisconsin Retirement System (WRS) but will retain their coverage under the Milwaukee County plan if they do not choose WRS coverage. If they choose not to elect to participate in the WRS, they will nevertheless be eligible employees under the state health insurance program. State contributions for these employees will be available as soon as the insurance goes into effect.
- 2009 Wisconsin Act 28 (2009-2011 biennial budget bill) made numerous changes impacting ETF:

Historical Provision

- **Expenditure authority for the administrative expenses of the Department.** The Department's operating budget is increased by .5% in the first year and 3.3% in the second year compared to the Department's adjusted base budget. The amounts take into account: 1) a statewide initiative to reduce each agency's operating budget by 1% in each year of the biennium to improve efficiencies and balance the state budget and 2) the budget changes as a result of furloughs, the roll-back of wage increases, etc. (see below for more information). Many state agencies incurred a 5% cut (in addition to the 1% cut) as a result of less than expected tax revenue collections for the state. ETF was not subject to the additional 5% cut.
- **Furlough of all state employees (8 days per fiscal year) and roll-back of wage increases.** This provision will amount to a cut to the Department's base budget of roughly \$677,000 annually to reflect the following: elimination of the 2% wage increase that was scheduled to go into effect in June (about \$267,000); and an amount to reflect the reduction due to furloughs of 8 days each year (about \$410,000). The furloughs will amount to a loss of about 13,613 hours of service per fiscal year for the Department or about 27,225 hours of service for the 2009-2011 biennium.
- **Deemable Earnings:** The final version of the budget provides that, for Wisconsin Retirement System (WRS) purposes only, the earnings of a state employee, including a University of Wisconsin System employee, would include compensation that would have been payable to the participant at the participant's rate of pay immediately prior to the beginning of any mandatory, temporary reduction of work hours or days ordered by the State of Wisconsin during the period July 1, 2009, through June 30, 2011, for service that would have been rendered by the participant during that period if the mandatory, temporary reduction of work hours or days (furloughs) had not been ordered. The budget requires that WRS contributions on earnings considered to be received under this provision ("deemed earnings") must be paid as required by law and it allows the deemed earnings under this provision to be considered in the calculation of final average earnings for WRS purposes. It also includes in the definition of creditable service, the service for which a participating employee is considered to have received deemed earnings and for which contributions have been made as required by law.
- **An additional 3.9 full-time equivalent (FTE) positions by the end of the biennium compared to the current fiscal year position authority.** The total position authority in the first year will be reduced by 2.1 FTE reflecting the elimination of 8.1 expiring project FTE and the provision of 6.0 new permanent FTE. An additional 6.0 permanent FTE is provided in the second year. Whether we'll be allowed to fill the positions under the current hiring freeze is unresolved.

- **A process to allow the Department to request additional positions throughout the biennium based on workload.** The provision allows the Department to seek additional positions and expenditure authority with the active approval of the Legislature's Joint Committee on Finance through the 13.10 process. The provision allows the Secretary to create a mechanism to base positions and expenditure requests on workload metrics.
- **Inclusion of domestic partners as dependents for the purposes the health plans (state and local) and certain other WRS administered programs.** Effective January 1, 2010, Act 28 generally establishes the right of a domestic partner to be treated like a spouse for purposes of WRS and related benefits provided under Ch. 40, Wis. Stats. Among other things, 2009 Act 28 includes an affidavit requirement, for health insurance purposes, to verify a domestic partnership and the dissolution of a domestic partnership.
- **Health insurance coverage of children to age 26.** Effective January 1, 2010, this requires that the Group Insurance Board administered health plans provide coverage to children through age 26 unless they are married, have other health coverage, or are employed on a full-time basis and eligible for employer sponsored health insurance.
- **Autism Coverage.** Generally speaking, this provision requires every disability insurance policy, and every self-insured health plan of the state or a county, city, town, village, or school district, to provide coverage for an insured for treatment for the mental health condition of autism disorder if the treatment is prescribed by a physician and provided by specified individuals who are qualified to provide intensive-level or nonintensive-level services.
- Effective January 1, 2010, require every disability insurance policy, and every self-insured health plan of the state or of a county, city, town, village, or school district, that provides coverage of outpatient health care services, preventative treatments and services, or prescription drugs and devices to provide coverage for all of the following:
 - Contraceptives prescribed by a health care provider, as defined in s. 146.81 of the statutes; and
 - Outpatient consultations, examinations, procedures, and medical services that are necessary to prescribe, administer, maintain, or remove a contraceptive, if covered for other drug benefits under the policy or plan.
- **Mental Health Parity:** Effective immediately, require a group or blanket disability insurance policy to provide coverage of nonresidential services for the treatment of nervous or mental disorders, or alcoholism or other drug abuse problems provided by a licensed mental health professional practicing within the scope of his or her license, and any applicable rules.

- **Changes in the calculation of WRS benefits for certain part-time staff.** This provision has two major components:
 - **Lowers the eligibility criteria for WRS participation for educational support staff to 440 hours per year.** One of the eligibility criteria for WRS participation is that an individual is expected to work at least 600 hours per year for non-teacher participants and 440 hours per year for teacher participants. This provision uses the teacher threshold of 440 hours for educational support staff.
 - **Changes the calculation of the actuarial reduction for early retirement purposes for non-protective occupation participants.** Under current law, when calculating the actuarial reduction, a year of creditable service for participants with at least 5 years of part-time service in the 10 years immediately preceding retirement is calculated using 1904 hours for non-teacher participants. This provision would require that the calculation use 1,320 hours as the full-time equivalent for a year of creditable service.
- **Transfer of the BadgerRx Gold program to the Department of Health Services.** The BadgerRx program allows non-WRS state residents without prescription drug coverage to purchase drugs at prices similar to those paid by Group Insurance Board health programs. The administration of the prescription drug program for the state and local health plan participants will remain in ETF.
- **Inclusion of regional transit authorities as WRS employers.** The budget grants various local governments the authority to create regional transit authorities. These new entities would be considered as state agencies for the purposes of the WRS, similar to other public authorities.
- Wisconsin Act 218 removes the minimum statutory requirements for in-patient, out-patient and transitional care. It also establishes requirements for annual mental health screenings. The Act is effective December 1, 2010. The Act will have an insignificant fiscal impact on the health insurance programs administered by ETF. According to the Group Insurance Board's consulting actuary, it does not appear that the Act provides different requirements than the Federal Mental Health Parity Act – which the State Group Health Insurance Program is currently in compliance with.
- Wisconsin Act 279 requires hearing screening for newborns. The Act is effective May 26, 2010. The Act is not expected to have any material fiscal effect on the state health insurance program or the local government health insurance program because the plans in the program already provide coverage that is not materially different than that required by the Act.

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- 2009 Wisconsin Act 282 requires insurance coverage of the services of behavior analysts for autism treatment. The Act is effective on May 26, 2010. The costs to the state and local group health insurance programs are indeterminate.
- 2009 Wisconsin Act 284 modifies certain aspects of the duty disability program under Wis. Stat. § 40.65. Under the Act, in a proceeding regarding benefits for certain protective occupation participants related to a disability due to certain infectious diseases, there would be a presumption that the disease was caused by the person's employment if that person's pre-employment medical examination showed no evidence of the disease. The Act is effective May 27, 2010. Based on similar provisions in current law, it is anticipated that very few additional claims will be generated as a result of this change. As such, the increase in administrative costs to ETF is anticipated to be insignificant.
- 2009 Wisconsin Act 285 requires municipal employers to pay for the health insurance of a surviving spouse, if not remarried, and dependent children to age 27 of a firefighter who dies or has previously died in the line of duty, if the municipality pays (or paid) for health insurance for firefighters while they were employed by the municipality. This bill does not apply to the state or the State Group Health Insurance Program, but it does impact municipalities – including the municipalities in the Wisconsin Public Employers Group Health Insurance Program. The act applies retroactively to firefighters who have died in the line of duty before the effective date and to prospective firefighters who die in the line of duty.
- 2009 Wisconsin Act 346 requires health insurance policies and plans that cover any diagnostic or surgical procedures to cover colorectal cancer examinations and laboratory tests for any insured or enrollee who is 50 years of age or older or any insured or enrollee who is under 50 years of age and at high risk for colorectal cancer. The Act is effective December 1, 2010. The Act is not expected to have any material fiscal effect on the state health insurance program or the local government health insurance program because the plans in the program already provide coverage that is not materially different than that required by the Act.

2011

- 2011 Wisconsin Act 10 made numerous changes impacting ETF:
 - **Contribution Requirements.** Act 10 eliminated the Benefit Adjustment Contribution (BAC). Effective July 1, 2011 there are only two types of contributions, employee and employer contributions. This is an increase in money purchase crediting as all contributions are allocated to employee money purchase accounts.
 - **Prohibition of Employer Pick-up.** Act 10 prohibits all WRS employers and the City and County of Milwaukee from paying the employee contribution for most categories of employees with some exceptions.

- **Formula Multiplier Change.** Act 10 decreases the WRS formula multiplier from 2.0% to 1.6% for executive members, elected officials (state and local), constitutional officers, Supreme Court justices, and Appeals Court and Circuit Court judges.
- **Non-Represented Police and Fire Department Managers Aligned with Represented Public Safety Employees for Purposes of WRS and Health Insurance Contributions.** Act 10 allows represented public safety employees to continue to bargain over all matters relating to wages, hours, and conditions of employment, including whether, and to what extent, the employer “picks-up” the employee share of the WRS contribution. Public Safety employees are also allowed to bargain over whether and to what extent employees must contribute towards health insurance benefits. Under Act 32, non-represented law enforcement and firefighting managerial employees employed by a municipality on July 1, 2011 are treated the same as represented public safety employees employed by that municipality for purposes of paying the employee required WRS contribution. If the municipal employer picks up the represented police and fire employees’ WRS contribution, then the municipality must also pick up the non-represented police and fire managers’ WRS contribution. Similarly, if the municipality participates in the state’s local government health plan, the municipality must pay the same percentage of premium for non-represented police and fire managers as it does for its represented public safety employees.
- **Health insurance contributions:** State and Local employers participating in the Group Health insurance would be prohibited from paying more than 88% of the average cost plan. In addition, Act 10 required the GIB to reduce the cost of the health plans by at least 5%. These benefit changes will be effective January 1, 2012 for active state participants and non-Medicare retirees.
- 2011 Wisconsin Act 32 (2011-2013 biennial budget bill) made numerous changes impacting ETF:
 - **Increase in Eligibility Threshold.** Act 32 raises the Wisconsin Retirement System eligibility threshold for individuals hired after the effective date of the budget bill from 600 to 1,200 hours per year. For teachers, librarians, administrators, and educational support personnel, the threshold is raised from 440 to 880 hours.
 - **WRS Vesting Requirement.** New state and local employees hired after July 1, 2011 must have five years of creditable service before becoming eligible for either a formula or money purchase annuity benefit.
 - **New Public Safety Employees Must Pay Employees’ Share of WRS Contribution.** Under Act 32, a municipal employer is prohibited from bargaining to pay the employee required WRS contribution of a public safety employee who first becomes employed after July 1, 2011.

- **Pre-Tax Treatment of Employee Contributions to WRS.** Act 32 specifies that the employee required contributions be made on a pre-tax basis. Act 10 did not address whether employee contributions to the WRS could be made on a pre-tax basis. Act 32 provides that employee contributions for retirement into WRS must be made from the employee's pre-tax income for federal and state income tax purposes.
 - **Study of Potential Modifications to the WRS:** The budget directs the Department of Administration, Office of State Employment Relations, and the Secretary of Employee Trust Funds to study the following issues: 1) establishing a defined contribution program as an option for participating employees;, and 2) giving employees the option of not making employee required contributions while limiting retirement benefits for employees who make that option.
 - **2011 Act 113 - Health Insurance Savings.** This bill requires the secretary of employee trust funds to allocate \$28,000,000, from reserve accounts established in the public employee trust fund for group health and pharmacy benefits for state employees, to reduce employer costs for providing group health insurance for state employees for the period beginning on July 1, 2011, and ending on December 31, 2011.
 - **2011 Act 116 – HEART Act.** This bill requires that under the WRS differential wage payments must be treated as earnings for WRS purposes and that individuals who receive differential wage payments must be treated as regular employees for purposes of the WRS. In addition, the bill provides that, for purposes of death or disability benefits, a WRS participant who dies or becomes disabled while performing military service is treated as though the person was a participating employee in the WRS. This law applies retroactively to a participant who died or became disabled on or after January 1, 2007.
 - **2011 Act 133 – Local Employer Health Insurance.** Permits governmental employers who are not participating employers in the Wisconsin Retirement System to be covered in the local government health insurance plan offered by the group insurance board.
- 2013**
- 2013 Wisconsin Act 20 (2013-2015 biennial budget bill) made numerous changes impacting ETF:
 - **Rehired Annuitants - Increase Required Minimum Period of Separation from Employment before Returning to Work for a WRS-Participating Employer.** Under current law, a WRS participant who has applied to receive a retirement annuity must wait at least 30 days between terminating covered employment with a WRS employer and returning as a participating employee. If the participant does not wait the 30-day period, and is rehired before the expiration of the 30-day period, the participant is not eligible to receive a WRS retirement annuity.

The bill provides that the participant must remain separated from employment with a WRS participating employer for at least 75 days in order to be an eligible rehired annuitant. This provision first applies to a WRS participating employee who terminates on the budget bill's effective date. [§ 749].

- **Rehired Annuitants - Automatic Suspension of Annuity upon Returning to Work for a Participating Employer in a Position in which the Member is Expected to Work at Least Two-Thirds of Full-Time Annually.** Previously, when a member terminates employment and receives an annuity, the member may later return to work with a WRS-participating employer and either terminate the annuity and again become a WRS-participating employee or, instead, continue to receive the annuity, as well as wages. If the member does not terminate the annuity, the member may not be a WRS participating employee and, in the case of state employment, is not eligible for group insurance benefits, and may not use any of his or her employment service as a rehired annuitant for any WRS purposes. If the participant terminates the annuity, the participant returns to participating employee status, is eligible for all group insurance benefits provided to other participating employees, and is able to accumulate additional years of creditable service under the WRS for the additional period of covered employment.

Effective July 2, 2013 a WRS annuitant, or a disability annuitant who has attained his or her normal retirement date, is appointed to a position with a WRS-participating employer, in which he or she is expected to work at least two-thirds of full-time, as defined by ETF, annually, the annuity must be suspended and no annuity payment is payable until after the participant again terminates covered employment. The bill also provides that WRS annuitants who enter in a contract with a WRS-participating employer, in which he or she is expected to work at least two-thirds of full-time, as defined by ETF, annually, the annuity must be terminated and no annuity payment is payable until the participant no longer provides services under the contract. [§§ 746-748].

- **Re-Retirement Calculation Methodology.** Previously, when a WRS annuitant returns to employment as a WRS-participating employee, the annuity was terminated and the original annuity was reestablished as if the employee never retired. When the rehired annuitant terminates employment, the new annuity was calculated with an offset for annuity payments already received depending on age.

Effective July 2, 2013 the original annuity is suspended, rather than terminated. A new account is created for any subsequent period of WRS-participating employment. When the rehired annuitant terminates the period of reemployment and applies for a retirement annuity, the original annuity is unsuspended and a new annuity is calculated under the same guidelines as the original annuity for the subsequent period of employment. This annuity is credited with accumulated amounts from a memorandum account that actuarially provide for the proper benefit amount. [§§ 716b, 716d, 716f, 716h, 716j, 733m, 737m, 738d, 738p, 746m, 748b, 748d, 748f, 748h, 748j, 748L, 754m].

- **Eligibility for Employees who were first hired by a WRS Employer before July 1, 2011.** 2011 Wisconsin Act 32 increased the number of hours that an employee must work in order to become a participating employee in the WRS, from one-third of what is considered full-time employment to two-thirds of what is considered full-time employment, as determined by the ETF.

Under 2011 Wisconsin Act 32, this change did not apply to those employees who were first *hired* by a WRS employer before July 1, 2011, regardless of whether or not the employees were participating employees before that date. This provision provides that, to be exempt from Act 32's two-thirds-time eligibility standard, employees must have been *participating employees* before July 1, 2011. [§§ 737, 738].

- **Disclosure of Member Information to Department of Revenue (DOR).** The ETF is permitted, but not required, to disclose member information (including Social Security Numbers) concerning the payment of WRS annuities to DOR for the purposes of administering the payment of state taxes; collecting debts owed to DOR; locating WRS participants, or the assets of WRS participants, who have failed to file tax returns, underreported their taxable income, or who are delinquent debtors; identifying fraudulent tax returns and credit claims; or providing information for tax-related prosecutions. [§ 733].
- **Internal Revenue Code Compliance.** The WRS is a governmental plan and is a tax-qualified retirement plan under s. 401(a) of the Internal Revenue Code (IRC). Members of tax-qualified plans enjoy many benefits, including that they do not have to pay income tax on contributions until they withdraw money from the plan. Similarly, contributed amounts are permitted to grow tax deferred. However, statutory changes are occasionally necessary to ensure the qualified status of the WRS and to allow for flexibility in the event of future changes to the IRC.

The budget bill contains technical adjustments to Chapter 40 to conform to requirements of the Internal Revenue Code. [§§ 696, 697, 698, 700-704, 707-712, 717, 718, 720-725, 732, 734-736, 739-745, 750-752, 754-758].

- **Additional Funding for Actuarial Studies.** The bill provides an additional \$15,000 GPR in FY 2014 to the Joint Legislative Council's appropriation to conduct actuarial studies. This is one-time funding, which increases the amount available for studies on FY 2014 to \$30,000.
- **Group Insurance Board (GIB) Discretion to Modify Benefits to Maintain or Reduce Premiums.** Current law provides that the GIB may not enter into an agreement to modify or expand any group insurance coverage in a manner that conflicts with laws or rules promulgated by the ETF or that materially affects the level of premiums or the level of benefits under any group insurance coverage.

The bill permits the GIB to modify or expand benefits if the modification or expansion is required by law or would maintain or reduce premium costs for the state or its employees in the current or any future year. [§ 714].

- **Wellness Initiatives.** The Governor recommends that the GIB expand the current wellness program. (See "Funding for Promotion of Wellness in the Workplace" further below).
- **"Craft Employees" Payment of Health Insurance Premiums.** The bill creates a definition for "craft employee" in Chapter 40. Craft employees must pay all of their health insurance premiums, unless otherwise determined by the director. A craft employee is a state employee who is a skilled journeyman craftsman, including the skilled journeyman craftsman's apprentices and helpers, but does not include employees not in direct line of progression in the craft. [§§ 699, 729].
- **Optional High Deductible Plan and Health Savings Account.** The GIB must offer to state employees an optional high deductible health insurance plan and health savings account beginning January 1, 2015. The actuary must recommend changes to the program design to make the plan more cost effective. Requires the Office of State Employment Relations (OSER) and the ETF to study the feasibility and cost effectiveness of offering health reimbursement accounts compared to health savings accounts. OSER and the ETF must present their findings and recommendations to the Governor and the Joint Committee on Finance no later than January 31, 2014. [§ 9112(4L)].

The GIB may collect fees from state agencies to pay all administrative costs relating to health savings accounts. The state must make contributions to employees' health savings accounts in an amount determined annually by the Director of OSER. The bill specifies that in setting the state contribution amount, the OSER Director must take into account the amount of the tobacco use premium surcharge. [§§ 462, 491, 705, 711, 716, 719, 730, 753].

- **State Payment of Health Insurance Premiums.** Current law is that the state may not pay more than the average premium costs of the lowest cost health insurance plans. Under the bill, the state is not permitted to pay more than 88 percent of the average premium costs in each tier. [§ 726].

In addition, if any tier contains no health insurance plans, but is used to establish premiums for employees who work and reside out of state, the amount these employees must pay is based on the premium contribution amount for that tier in the prior year, adjusted by the average percentage change of the premium contribution amount of the other tiers from the prior year. [§ 728].

- **Study to Exclude certain Spouses and Domestic Partners from State Employee Health Insurance Coverage.** Requires OSER and the ETF to jointly study the feasibility of excluding from state employee health insurance coverage a spouse or domestic partner who has health insurance available from his or her employer. The study will also evaluate the creation of a \$2,000 incentive payment program for state employees that opt not to take health insurance through the state.

The bill provides \$75,000 GPR in FY 2014 to conduct an actuarial study of the plan to exclude from state employee health insurance coverage a spouse or domestic partner who has health insurance available from his or her employer and an incentive payment program for state employees that opt not to take health insurance through the state.

OSER and the ETF must present their findings, results of the actuarial study, and recommendations to the Governor and the Joint Committee on Finance no later than June 20, 2014. [§ 9112(3q)]

- **Health Insurance Data Collection and Analysis – Requirements for Health Care Information Organizations.** Under current law, the Department of Health Services (DHS) and the ETF may contract with a health care information organization (“data organization” in Chapter 153, Stats.) to request health care claims information from health insurers and insurance plan administrators. The data organization must analyze and publicly report this information with respect to the cost, quality, and effectiveness of health care; provide DHS with health care claims information and reports upon request; and maintain a centralized data repository. If DHS and ETF determine that the data organization is not fulfilling certain requirements, DHS must carry out these functions itself.

The bill requires the data organization to take actions including all of the following: 1) provide an Internet site to offer health care provider cost and quality data and reports to consumers; 2) conduct statewide consumer information campaigns to improve health literacy; and 3) provide software to allow providers to validate data prior to its publication on the Internet site. [§§ 346, 1901, 1902].

Historical Provision

- **Annual Report on Progress of Modernization Efforts.** ETF must submit an annual report by July 1 to the DOA Secretary and the Joint Committee on Finance regarding ETF’s progress in modernizing its business processes and integrating its information technology systems. [§ 713].

- **Funding for promotion of state employee wellness in the workplace.**

§20.515(w)	2013-2014	2014-2015
SEG	\$40,000	\$150,000

- **Increase the ETF’s Expenditure Authority Relating to Modernization of Business Processes and Technology Integration.**

§20.515(t)	2013-2014	2014-2015
SEG	\$3,500,000	\$4,300,000

- **Funding:** The ETF may request the governor to supplement any sum certain appropriation from the public employee trust fund for the purpose of modernizing business processes or integrating information technology systems. The ETF is authorized to use this process through FY 2019. [§ 9212].
- **Positions:** The ETF may request the governor to create or abolish a full-time equivalent position or portion thereof that is funded from revenues deposited in the public employee trust fund if the employee holding the position would perform duties relating to modernizing business processes or integrating information technology systems. The ETF is authorized to use this process through FY 2019.

Upon receiving a request relating to such funding or position authority, the governor may approve or modify the request. If the governor proposes to approve or modify the request, the governor must notify JCF of the proposed action under 14-day passive review. [§ 9112, 9212].

- **2013 Act 191** - The law allows participating employees in the Wisconsin Retirement System to purchase years of creditable service for active service in the U.S. armed forces. To purchase creditable service under the program, the employee:
 - must pay the full actuarial cost of the benefit increase the service will provide;
 - must have three continuous years of service under the WRS;
 - must have been discharged from the U.S. armed forces under honorable or general conditions; and
 - may not receive creditable service under the program for any service that is used for the purpose of establishing entitlement to, or the amount of, any other benefit to be paid by any federal, state, or local government entity. The exceptions are a disability or Social Security benefit, a benefit under the federal retired pay for non-regular military service program, or a benefit paid for service in the National Guard.

Legislative Session

Historical Provision

2015

- 2015 Wisconsin Act 55 (2015-2017 biennial budget bill) made numerous changes impacting ETF:
 - **Audits and Financial Reporting.** Provides \$215,000 in FY16 and \$150,000 in FY17 so the department can contract for the audits and actuarial studies necessary for the proper administration of the Wisconsin Retirement System.
 - **Changes to the Executive/Elected WRS Category.** Allows the ETF Board to opt to move all current executive/elected category members into the general category for contribution rate setting purposes only. Current elected officials and executives retain the age 62 normal retirement age. Future elected officials and executives (after December 31, 2016) will have the new normal retirement age of 65. [Sections 1385b and 1389h].
 - **Health Insurance Savings.** Directs the Group Insurance Board to work with the benefits consultant to make appropriate changes in order to realize \$81 million in efficiencies and savings over the biennium.
 - **Child Support Payments.** Currently, the Department of Children and Families (DCF) may assign child support obligations to Wisconsin Retirement System (WRS) benefits. This bill extends that authority to ETF's Income Continuation Insurance program and the Duty Disability program. [Section 1401].
 - **Employee Incentive to Opt-Out of State Health Insurance Program.** Provides health insurance program. Provides that the following state employees would not be able to receive a \$2,000 stipend: (a) any employee who opted-out in CY 2015; and (b) married state employees or state employees in a domestic partnership who are both employed by the state, the employee with no group health insurance coverage. [Section 1406].
 - **STAR Changes – Effective January 1, 2016:**
 - Eliminate requirement that executive branch state employees must be covered under the WRS for a period of 6 months in order to be eligible for life and income continuation insurance.
 - Provides that employees electing to receive health care coverage or income continuation insurance within 30 days of eligibility have the coverage be effective on the first day of the month that first occurs during the 30 day election period, instead of receiving coverage effective on the first day of the month which begins on or after the date the employee's application for coverage is received by the employer. [Sections 1405d and 1409m].
 - Employees would have 60 days instead of the current 30 days to elect income continuation insurance when initially eligible for a higher level of employer contribution towards premium cost. Effective the following April 1 for state employees. Effective the first day of the month following the date of eligibility instead of the first day of the month following the date the employee's application for coverage is received. [Section 1409m].

- **Opportunity Schools and Partnership Program.** The commissioner of OSPP is charged with determining which type of health insurance and retirement benefits to provide the OSPP employees. One of the four options is for the commissioner to enter into a memorandum of understanding with the Secretary of ETF to purchase health care and retirement benefits, with statutory contributions, for the commissioner and all employees of OSPP and the schools transferred to the program. [Sections 1389f].
- **Full Funding of Salary and Fringe:** Continued full funding of ETF's current operations, including funding for the Transformation, Integration and Modernization (TIM) initiative. The proposed ETF 2015-17 budget consists of an overall funding increase of 4.9%.
- **Customer Service Staffing:** Provides 1.0 FTE Benefits Specialist position for the Contact Management Section (call center). The position will be used to assist in meeting the escalating service requirements for members.

- **2015 Act 119** - This law provides that the Board, in consultation with the Division of Personnel Management in the Department of Administration, notify the Joint Committee on Finance (JCF) through a 21-day passive review if it intends to execute a contract to provide self-insured group health plans on a regional or statewide basis. If the co-chairpersons of the JCF do not notify the Board that the JCF has scheduled a meeting for the purpose of approving the execution of the contract within 21 working days after the date of the Board's notification, the Board may execute the contract. If, within 21 working days after the date of the Board's notification, the co-chairpersons of the JCF notify the Board that the JCF has scheduled a meeting for the purpose of approving the execution of the contract, the Board may not execute the contract without the approval of the JCF.

- **2015 Act 174** - This law provides municipalities interested in participating in the Wisconsin Retirement System (WRS) the option to join and only bring in newly-hired employees while allowing current employees to finish their careers under their existing retirement plan. Specifically, the bill:
 - Permits an employer to elect to participate in the WRS and choose to only bring in employees hired on or after the date that the employer elects to participate in the WRS. Employees hired before the date of election would not participate in the WRS.
 - Permits the municipal employer the option to offer current employees a one-time choice of becoming participating employees in the WRS.
 - Permits any municipal employer that elects to be included under the above provision to exclude its public utility employees.

- **2015 Act 187** - This law makes the following remedial changes to the WRS and the operation of ETF. The changes clarify current law or codify current practice. These technical changes may require minor modifications to procedures and forms for members and employers but do not make substantive changes. The following changes are included in this legislation:

Legislative Session

Historical Provision

- Clarifies the treatment and uses of moneys credited to memorandum accounts of WRS participants who suspend their annuities in order to return to covered employment.
- Enables the Secretary of ETF to require retirees to receive their benefit payments electronically.
- Clarifies ETF's Qualified Domestic Relations Order (QDRO) law to more closely mirror federal law.
- Removes references to Transaction Amortization Account.
- Eliminates redundant reference to Federated Library System.
- Clarifies and distinguishes initial eligibility to receive an annuity and return to work requirements.
- Eliminates a requirement under the WRS that an application for an annuity may not be filed more than 90 days before the employee's anticipated termination date from employment.
- Changes application deadlines for an employer to join the WRS.

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