



STATE OF WISCONSIN
Department of Employee Trust Funds
Robert J. Conlin
SECRETARY

801 W Badger Road
PO Box 7931
Madison WI 53707-7931

1-877-533-5020 (toll free)
Fax (608) 267-4549
<http://etf.wi.gov>

CORRESPONDENCE MEMORANDUM

DATE: February 10, 2012

TO: Employee Trust Funds Board
Teachers Retirement Board
Wisconsin Retirement Board

FROM: Shawn Smith, Director
Office of Communications and Legislation

SUBJECT: Legislation and Communications Update

This memo is for informational purposes only. No Board action is required.

This memorandum touches on the legislative session and provides a brief update on Department of Employee Trust Funds (ETF) communication efforts since the December 2011 Joint Informational meeting.

LEGISLATION UPDATE

No new laws that materially impact the Wisconsin Retirement System (WRS) were enacted as of the drafting of this report. However, there continues to be a lot of legislative interest in the WRS.

AB 318/SB 239 – Rehired annuitants. This bill was significantly revised by the lead Assembly author (Rep. Stroebel) and is pending a vote in committee. The author's substitute amendment provides that rehired annuitants who work more than half time must have their annuity suspended until they retire again. However, those rehired annuitants are enrolled in the WRS as active employees. Upon retirement, the original annuity restarts and an additional lump sum payment equivalent to the employee contributions plus investment earnings is made. The substitute amendment also extends the break in service required to 75 days. Rehired annuitants who work less than half time continue to be treated as they are under current law.

SB 153 – This bill permits governmental employers who are not participating employers in the WRS to be covered in the local government health insurance plan offered by the Group Insurance Board. This bill passed the Senate in October and the Assembly committee earlier this month.

Reviewed and approved by Robert J. Marchant, Deputy Secretary


Signature

2/16/12
Date

Board	Mtg Date	Item #
Jl	3.8.12	4A

AB 503/SB 413 – The HEART Act. This bill was sought by ETF and the Department of Veterans Affairs in response to a federal mandate and was introduced by Rep. Petryk and Sen. Wanggaard. The HEART Act requires WRS members who are called to active duty and who are killed or disabled in service to be treated as active employees, thus providing a higher death benefit to the survivor or service credit towards a disability benefit. This bill was voted out of the respective Assembly and Senate committees unanimously and is expected to see floor action in February.

AB 550 – This bill mandates that employers pay the employee contributions of WRS members who are called to active duty military service for the duration of that service. This bill was introduced by Rep. Litjens and has been referred to the Joint Survey Committee on Retirement Systems.

AB 539 – This bill allows the University of Wisconsin Board of Regents to establish an optional defined contribution plan that employees can choose in lieu of enrollment in the WRS. The author is Rep. Strachota, and the proposal has been referred to the Joint Survey Committee on Retirement Systems.

No significant activity has taken place on other legislation highlighted in previous Board memos and very few floor days remain planned for this session.

COMMUNICATIONS UPDATE

There are two communications issues of note.

First, as announced in the *WRS News* in January, the production of the annual *Statement of Benefits* will be delayed. ETF is implementing several major IT changes necessary to modify member accounts in accordance with recent legislation, and these changes, along with the more complex reporting required of employers by the legislation, have affected the normal annual reconciliation process. Reconciliation must be complete before statements can be generated and issued.

Also, ETF continues to receive many inquiries concerning the WRS Study required by Act 32 and its potential to lead to system changes to the WRS. Staff continues to address these questions by referring to the December 9, 2011, statement made available on the ETF website.

I will be at the Joint Informational meeting to answer any questions you may have.