

Scope of Proposed Rule

Employee Trust Funds

The Department of Employee Trust Funds gives notice pursuant to Wis. Stats. § 227.135 that it proposes to amend a current rule.

SUBJECT

Wisconsin Administrative Code § ETF 50.62 (1) and (2) specifies that the Long-Term Disability Insurance (LTDI) annual benefit adjustments based on the Wisconsin Retirement System (WRS) fixed annuity dividend is prorated based on the LTDI effective date, but it is not paid if the prorated adjustment percentage is less than 1%. The proposed rulemaking will revise the pro rata distribution to be consistent with the fixed annuity dividends under s. ETF 20.25, which was revised effective October 1, 2002, and allowed the minimum percentage of .1% to be paid.

DESCRIPTION OF POLICY ISSUES

Objectives of the Rule:

The amended rule will accomplish the objective of providing an annual benefit adjustment not previously provided, and it will align the benefit adjustments with the WRS fixed pro rata distribution.

Policy Analysis:

The proposed rule specifying that pro rata annual benefit distributions are paid if the adjustment percentage is over 1% would be expanded to allow increases of .1% to also be paid. This would allow individuals to receive some increases even in years when the fixed annuity dividend is low. It would also make calculations for LTDI distributions consistent with those granted to all WRS benefit recipients.

Policy Alternatives to the Proposed Rule:

The alternative to promulgating this rule would be that LTDI annual adjustments would continue to be granted only if pro rata distributions were above 1%.

STATUTORY AUTHORITY FOR RULE-MAKING

Wis. Stats. § 40.03 (6)

STAFF TIME REQUIRED

The Department estimates that state employees will spend 80 hours developing this rule.

This Statement of Scope of Proposed Rule is
Hereby Approved for Publication
This 19th day of November, 2002

Eric O. Stanchfield, Secretary
Department of Employee Trust Funds