



STATE OF WISCONSIN
Department of Employee Trust Funds
Eric O. Stanchfield
SECRETARY

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

1-877-533-5020 (toll free)
Fax (608) 267-4549
TTY (608) 267-0676
<http://etf.wi.gov>

CORRESPONDENCE MEMORANDUM

DATE: September 2, 2005

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

FROM: Vicki Poole, Director of Legislation, Communications and Planning
Phone: (608) 261-7940; e-mail: vicki.poole@etf.state.wi.us

SUBJECT: Legislative Report

The following is an update of bills introduced during the 2005 legislative session. Actions taken are listed in *italics* following a description of each bill. Bills that are new since the last Board meetings are marked with an asterisk; if you have any questions, please don't hesitate to contact me.

AB 81 provides for changes affecting creditable military service under the WRS to allow such service served at any time, not just before 1974.

Introduced by Rep. Musser 2/3/05. Referred to Joint Survey Committee on Retirement Systems (JSCRS).

AB 94 expands the authority of villages to created combined protective services departments.

Introduced by Rep. Montgomery 2/8/05. Referred to Urban and Local Affairs. Public hearing held 3/22. Passed. Senate concurred 4/12. Approved by Governor 4/29. 2005 WI Act 3. Published 5/13.

AB 225 classifies county jailers as protective occupation participants for purposes of the WRS.

Introduced by Rep. Freese 3/16/05. Referred to Corrections and the Courts and JSCRS. Public hearing held 5/18. Passed.

AB 232 classifies employees of the Department of Military Affairs who perform security functions at weapons facilities owned by the state as protective occupation participants for purposes of the WRS.

Introduced by Rep. Musser 3/16/05. Referred to Military Affairs and JSCRS. Public hearing held 3/30.

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AB 233 classifies certain librarians, teachers, and social workers employed by the state as protective occupation participants for purposes of the WRS.

*Introduced by Rep. Musser 3/16/05. Referred to Corrections and the Courts and the JSCRS.
Public hearing held 5/18.*

AB 267 restricts payment of employee required contributions by local units of government under the WRS.

Introduced by Rep. Gottlieb 3/28/05. Referred to JSCRS.

AB 276 provides for changes affecting crediting of required and additional contributions to the variable annuity division under the WRS.

Introduced by Rep. Schneider 3/28/05. Referred to JSCRS.

AB 361 changes the minimum age for qualifying for a retirement annuity under the WRS to 59.5.

Introduced by Rep. Hahn 4/22/05. Referred to JSCRS.

AB 434 increases total funds expended for services of minority financial advisers and minority investment firms from 5% to 10%.

Introduced by Rep. Fields 5/19/05. Referred to Committee on Financial Institutions.

***AB 575** provides for classification of social workers as protective occupation participants under the WRS.

Introduced by Rep. Grigsby 7/21/05. Referred to JSCRS.

***AB 590** provides that if a participant elects an annuity option in which his or her named survivor is to receive 75 percent of the annuity paid to the annuitant, any such reduction in the annuity amount must not take effect until the first day of the fourth month after the annuitant or named survivor dies (same as SB 267).

Introduced by Rep. Vrakas 8/2/05. Referred to JSCRS.

***AB 598** provides that any WRS participant who at the time of death was a participating employee who died between January 1, 1999, and December 31, 1999, shall have his or her death benefit retroactively increased.

Introduced by Rep. Cullen 8/9/05. Referred to JSCRS.

SB 30 exempts from taxation certain amounts of payments or distributions received each year by an individual from a retirement plan, if such payments are not already exempt from taxation. The exemptions in the bill relate to all qualified pension, profit-sharing, and stock bonus plans

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under the Internal Revenue Code (IRC), deferred compensation plans offered by state and local governments and tax-exempt organizations under the IRC, self-employed plans, tax-sheltered annuities, plans that are not qualified under the IRC, and individual retirement accounts. The bill first applies to taxable year 2006 and the exemption amount increases each year.

Introduced by Sen. Kedzie 1/27/05. Referred to Job Creation, Economic Development and Consumer Affairs. Public hearing held 4/19. Senate sub. Amendment 1 adopted. Passed committee 4/22. Referred to Joint Committee on Finance.

SB 60 exempts from taxation up to \$10,000 of pension payments received each year by an individual, if such payments are not already exempt from taxation.

Introduced by Sen. Wirch 2/15/05. Referred to the Joint Survey Committee on Tax Exemptions.

***SB 254** requires that educational support personnel employees and teachers, librarians, and administrators must be treated the same in terms of qualifying for coverage under the WRS.

Introduced by Sen. Risser 7/5/05. Referred to JSCRS.

***SB 267** provides that if a participant elects an annuity option in which his or her named survivor is to receive 75 percent of the annuity paid to the annuitant, any such reduction in the annuity amount must not take effect until the first day of the fourth month after the annuitant or named survivor dies (same as AB 590).

Introduced by Sen. Brown 7/27/05. Referred to JSCRS.

***New bills introduced since last Board meeting.**