



**STATE OF WISCONSIN**  
**Department of Employee Trust Funds**

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**Secretary's Correction of Error Authority Report  
 to the Employee Trust Funds Board**

The ETF Secretary's Correction of Error Authority was created under Section 40.03(2)(w), Wisconsin Statutes and took effect on August 31, 2001. It was intended to allow the Department Secretary to correct certain Departmental errors in order to prevent inequities. The statutory provision reads:

If the secretary determines that an otherwise eligible participant has unintentionally forfeited or otherwise involuntarily ceased to be eligible for any benefit provided under this chapter principally because of an error in administration by the department, may order the correction of the error to prevent inequity. A decision under this paragraph is not subject to review. The secretary shall submit a quarterly report to the employee trust funds board on decisions made under this paragraph.

The following table identifies four recent situations where the Secretary exercised his authority to alleviate participant inequities created by Departmental errors.

<b>Correction of Error Authority Report</b>			
<b>Type of Case</b>	<b>Description of Error</b>	<b>Remedy</b>	<b>Date</b>
Retirement, s. 40.23 Wisconsin Statutes	Despite telling the participant that he would receive an updated retirement estimate application in a timely fashion, such that there would be no gap between employment and retirement, the participant did not receive the document, and as a direct result, unintentionally forfeited the right to an earlier retirement effective date.	ETF has changed the participant's retirement effective date to May 13, 2006. The monthly annuity will be adjusted to compensate for the two and a half months earlier effective date.	December 21, 2006
Income Continuation Insurance, ss. 40.61 and 40.62, Wisconsin Statutes	The participant properly filed an application for Income Continuation Insurance (ICI) on November 11, 2000. ETF failed to provide notice to either the employee or the employer that ICI premiums were not being paid, and as a direct result, an otherwise eligible participant unintentionally	Because ETF has received retroactive premium payments, the Department has granted ICI coverage retroactive to February 1, 2002.	December 23, 2006

Board	Mtg Date	Item #
ETF	06/22/07	10

<b>Correction of Error Authority Report</b>			
<b>Type of Case</b>	<b>Description of Error</b>	<b>Remedy</b>	<b>Date</b>
	forfeited ICI benefits.		
Retirement, s. 40.23 Wisconsin Statutes	In October of 2006, the employer requested an estimate of the cost of an actuarial reduction for a participant that intended to retire on January 19, 2007. ETF did not calculate the reduction in a timely fashion and did not respond until January 16, 2007, making it virtually impossible for the payment to arrive on time.	ETF processed the employer's actuarial reduction payment as if it were received timely for the participant's termination date of January 19, 2007.	March 27, 2007
Retirement, s. 40.23 Wisconsin Statutes	In April of 2007, the participant discussed her anticipated retirement date and the purchase of forfeited service with ETF staff. Because of an ETF mistake in communication during this April meeting about termination dates and when forfeited service may be purchased, the participant moved up her termination date and then applied to purchase forfeited service after her termination date.	ETF processed the forfeited service payment as if it were received timely for the participant's termination date of June 10, 2006.	May 30, 2007

<b>Correction of Error Usage</b>							
<b>Year</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b># Error Corrections</b>	0	2	3	0	0	3	2