



STATE OF WISCONSIN
Department of Employee Trust Funds
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SECRETARY

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CORRESPONDENCE MEMORANDUM

DATE: November 8, 2011
TO: Employee Trust Funds Board
FROM: Steve Hurley, Director
Office of Policy, Privacy and Compliance
SUBJECT: Reconfirm Delegation of Board Authority under s. 40.03 (1)(a) to the Department of Employee Trust Funds (Department) for Approval and Termination of Annuities

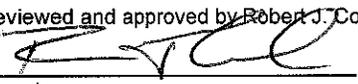
Staff recommends the Board approve the continued delegation of Board authority to the Department for approval and termination of annuities.

Under Wis. Stat. § 40.03(1)(a), the Employee Trust Funds (ETF) Board has the power and the duty to authorize and terminate the payment of all annuities and death benefits, except for disability annuities.¹ That power was delegated to the Department almost ten years ago. This memorandum requests that the Board confirm whether the delegation of authority to the Department under Wis. Stat. § 40.03(1)(a) for approval and termination of annuities shall continue in effect. Annuity adjustments under Wis. Stat. § 40.03(1)(a) to prevent inequity would remain solely a Board power.

Prior to the delegation of authority, the Department's practice was to present three detailed reports for approval at each Board meeting:

- Report of Retirement Annuity Applications Approved;
- Terminated Retirement Annuity Benefits; and
- Beneficiary Annuity Applications Approved.

¹ **40.03 Powers and duties. (1)** Employee trust funds board. The board:
(a) Shall authorize and terminate the payment of all annuities and death benefits, except disability annuities, in accordance with this chapter and may adjust the computation of the amount, as provided by this chapter, as necessary to prevent any inequity which might otherwise exist if a participant has a combination of full-time and part-time service, a change in annual earnings period during the high years of earnings or has previously received an annuity which was terminated.

Reviewed and approved by Robert J. Conlin, Deputy Secretary.

Signature Date 11/15/2011

Board	Mtg Date	Item #
ETF	12.1.11	4E

At the March 22, 2002, meeting, the ETF Board delegated the authority for benefit approvals and terminations and asked the Department to provide summary statistical reports in place of both the "Approved" and "Terminated" annuities reports. If the Board approves the continued delegation of Board authority to the Department for approval and termination of annuities, the Department will continue to provide summary statistical reports in place of the detailed annuities reports.

Department staff will be available at the meeting to answer any questions.