



STATE OF WISCONSIN  
Department of Employee Trust Funds

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**CORRESPONDENCE MEMORANDUM**

DATE: September 11, 2009

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

FROM: Matt Stohr, Director of Legislative Affairs, Communications and  
Quality Assurance

SUBJECT: Legislative and Communications Update

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

**Legislative Update**

**2009 Wisconsin Act 28**

2009 Wisconsin Act 28, the 2009-2011 biennial budget, has numerous provisions that directly affect the Department of Employee Trust Funds (ETF) and the Wisconsin Retirement System (WRS). Please find attached a summary of the provisions included in 2009 Wisconsin Act 28 that have an impact on various programs administered by the Department. The summary is posted on ETF's Internet site to help explain the provisions to WRS employers and members. It has been posted since July 14, 2009, and was updated on July 28, 2009.

**2009 Senate Bill 88/Assembly Bill 126**

2009 Senate Bill 88, and its companion bill 2009 Assembly Bill 126, would create a program that would allow participating employees in the WRS to purchase creditable service for all years of active military service subject to certain conditions. Among other things, the conditions include: the employee pays the Department the required employee contribution for general category employees based on the employee's final average earnings (determined as if the employee had retired on the first day of the

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

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Signature

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Date

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annual earnings period during which the Department received the application). The Assembly Committee on Veterans and Military Affairs held a public hearing on 2009 Assembly Bill 126 on April 15, 2009. No further action has been taken.

### **2009 Assembly Bill 199**

2009 Assembly Bill 199 would classify various employees as protective occupation employees for the purposes of the WRS, including employees of the Parole Commission; state employees who are employed at state correctional institutes, juvenile correctional facilities, the mental health institutes at Mendota and Winnebago, the Wisconsin Resource Center, or any secure mental health facility for sexually violent persons; psychologists and corrections classification specialists employed by the Department of Corrections who perform duties related to sexually violent person commitments; and clerical employees employed at probation, extended supervision and parole offices. This bill has been referred to the Assembly Committee on Courts and Corrections. As of this writing, it has not been scheduled for a hearing.

### **2009 Assembly Bill 337**

2009 Assembly Bill 337 provides that a participating WRS employer who is subject to the Municipal Employment Relations Act (MERA) may not pay, on behalf of any employee who first becomes a participating employee on or after the bill's effective date, the first 3% of earnings of an employee's required contribution. Employers covered by MERA generally include any city, county, village, town, metropolitan sewerage district, school district, family care district, or any other political subdivision of the state, or instrumentality of one or more political subdivisions of the state. This bill has been referred to the Assembly Committee on Urban and Local Affairs. As of this writing, it has not been scheduled for a hearing.

### **Variable Fund**

As of this writing, a bill to close the Variable Fund to new enrollees has not been introduced. I have had discussions with Senator Bob Wirsch and Representative Mary Hubler, the co-chairs of the Joint Survey Committee on Retirement Systems, about introducing a bill.

## **Communications Update**

### **Furlough-Office Closure**

As you are aware, the Department decided to close ETF offices on Friday, September 4, 2009, as a result of 2009 Executive Order 285. The Department published an article in both the September edition of *Trust Fund News* and *It's Your Benefit* to make WRS members and employers aware of the office closure. In addition, we posted a brief article on our Internet site, we sent a press release to media outlets across the state, and people who called the ETF Call Center received an automated phone message announcing the office closure. We will use a similar communications strategy for the upcoming furlough days.

### **Domestic Partner Provision (2009 Wisconsin Act 28)**

The Department intends to have information about the domestic partner provision available prior to the health insurance enrollment period, which begins on Monday, October 5, 2009. Specifically, we intend to have a domestic partner "starter kit" available on the ETF Internet site, which will include an introduction to the program, a frequently asked question document, the affidavits, and a health insurance application.

### **Newsletters**

The Department currently distributes three types of newsletters to WRS members and employers. The *Trust Fund News*, which provides retirement benefit information, and the *It's Your Benefit*, which provides health insurance benefit information, are distributed three times a year (January, May and September). We also send *Employer Bulletins* to WRS employers throughout the year.

The Department has decided to reduce the number of *It's Your Benefit* editions from three per year to one per year. Thus, WRS members who participate in either the state health insurance program or local health insurance program administered by the Department, will only receive a paper copy of *It's Your Benefit* in September of each year. The September 2009 edition, which will be distributed in mid-September, will announce this change.

The change is one part of our overall effort to reduce operating costs and find more cost effective and timely ways of conveying news and information about benefits to members and employers. We will continue to provide important health insurance information to our members and employers; however, we will do so by better utilizing our Internet site and other electronic means to provide updates about health insurance benefits (e.g., expanding our popular online video programs). As you are aware, most of the health plans that participate in the state and local health insurance program provide

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newsletters to their enrolled members and those newsletters often cover much of the same information provided in *It's Your Benefit*. Our goal going forward will be to provide content specific to our group health insurance program, rather than providing general health insurance and medical information.

We are also looking at more cost effective ways of disseminating the *Trust Fund News* and our *Employer Bulletins*. In general, we believe that by better leveraging technology we'll be able to reduce our long-term costs while at the same time providing more timely and relevant updates to WRS members and employers.

I will be at the September 17, 2009, Joint Information meeting to answer any questions you may have.

Attachment