



STATE OF WISCONSIN
Department of Employee Trust Funds
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SECRETARY

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Correspondence Memorandum

Date: February 8, 2023
To: Employee Trust Funds Board
From: Kim Esselman, Appeals Coordinator
Office of Legal Services
Subject: Secretary's Correction of Error Report

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

The ETF Secretary has limited authority under Chapter 40 of the Wisconsin Statutes to correct errors. That authority is described in Wis. Stat. §40.03(2)(w):

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.

Most member concerns are addressed informally. A limited number escalate to the level of a formal administrative appeal. As a result, it is rare for ETF to receive a request to have the Secretary exercise this authority.

The purpose of this memo is to inform the Board of a recent request that was made to the ETF Secretary to exercise the authority under Wis. Stat. §40.03(2)(w), authorizing the member to have her additional contributions balance paid in the same annuity option that she selected for her primary retirement account, with the same effective date.

Reviewed and approved by Diana Felsmann, General Counsel, Office of Legal Services
Electronically Signed 2/22/23

Board	Mtg Date	Item #
ETF	03.23.23	7N

Correction of Error Authority Report			
<u>Type of Case</u>	<u>Description of Error</u>	<u>Decision</u>	<u>Date of Decision</u>
Retirement, Wis. Stat. § 40.23	Shortly before applying for a retirement benefit the member deposited additional contributions into her ETF account. The member utilized a portion of that additional payment to purchase service credit leaving a lesser remaining additional contribution balance. The member submitted a retirement application based upon a previously received estimate/application to be effective within days of the receipt. Because the estimate was created prior to the additional contributions being made, the estimate did not include anything in the additional contributions option selection fields. Therefore, the member did not select an option (annuity or lump sum) for her additional contributions. ETF did not flag that the member had not made a distribution election for the additional contributions until the deadline for annuity election change had passed. The confluence of the member attempting to accomplish many things just prior to a quick retirement decision, and ETF not having systems that are interconnected to be able to timely address the issue in this case, resulted in the member not achieving her intent of having her additional contributions being paid as an annuity as opposed to a lump sum.	Authorizing the member being able to have her additional contribution balance paid out in the same annuity option that she selected for her primary retirement account, with the same effective date.	Approved on December 19, 2022.