

**From:** [REDACTED]  
**To:** [ETF SMB Board Feedback](#)  
**Subject:** MANDATORY 75 DAY SEPARATION AFTER RETIREMENT  
**Date:** Saturday, February 8, 2025 8:22:44 AM

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Good Day:

Thank you for the opportunity to share with you.

Local governments are struggling to fill vacant positions. This is especially the situation for Bayfield County. The average age of employees is 10 years above the state average and the percentage of retirees is the highest in the state.

At present WRS has a mandatory separation timeframe that allows work for another employer (up to 30% within first 75 days), but NOT the employer they retired from.

Many Bayfield County employees that wish to retire would be interested in working PT or occasionally, but cannot because it would jeopardize their annuity.

With the reduced number of available workers, and the number of "older" population, that is our largest demographic to recruit from.

We ask that you extend the current allowance of employees from other employers to those of our own retirees as well. Thank you.

Mark Abeles-Allison  
Bayfield County Administrator





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February 20, 2025

Mark Abeles-Allison  
Bayfield County Administrator  
[REDACTED]

Re: Rehired Annuitants – Break in Service

Dear Mark Abeles-Allison,

Thank you for emailing the Employee Trust Funds Board (Board) regarding the Wisconsin Retirement System (WRS) and the break-in-service rules for rehired annuitants. The Board understands that this is an important issue for employers and one that the legislature has focused on with numerous legislative proposals over the last several sessions.<sup>1</sup>

Your letter requests that the Board “extend the current allowance of employees from other employers to those of our own retirees as well.”

A “rehired annuitant” is someone who takes a retirement benefit and then also returns to work for a WRS employer. The rehired annuitant rules are set in both federal and state statute. Neither ETF nor the Board has discretion to modify or disregard these laws.

As you may know, the WRS is considered a tax-qualified plan under Section 401(a) of the Internal Revenue Code (IRC). In order to maintain its tax-qualified status, ETF must administer benefits in accordance with WRS Plan documents. These include Chapter 40 of the Wisconsin Statutes and Chapter ETF of the Wisconsin Administrative Code, as well as the provisions of the IRC, its corresponding regulations, and Internal Revenue Service (IRS) Rulings and Procedures.<sup>2</sup>

The IRC requires that there be a *bona fide* separation from employment before an employee may receive a retirement benefit. According to IRS guidance, there must be a complete separation of the employment relationship. The IRS has focused on the intent of the employee to completely retire, with no prior arrangements to return to work for the employer. The WRS Plan documents enforce IRC rules by mandating that a WRS retiree (annuitant) who returns to work for the *same* WRS employer also fulfill a minimum break-in service of 75 days. Any reemployment with the same employer in any capacity during the 75-day break is direct evidence that there was not a complete severance of the employment relationship.

<sup>1</sup> [ETF Monitors Legislative Bills Introduced in 2023](#) (Jan. 31, 2024)

<sup>2</sup> Wis. Stat. § 40.015

The rules regarding rehired annuitants are different depending on whether the annuitant is returning to their same (former) employer or to a different employer. Because the rules are in statute, both ETF and the Board must require that annuitants returning to work for the same employer meet the full 75-day break-in service.

Thank you for your inquiry to the Board.

Regards,

Anne Boudreau, Deputy Administrator  
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Employee Trust Funds  
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