

STATE OF WISCONSIN Department of Employee Trust Funds

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Correspondence Memorandum

Date: September 29, 2025

To: Budget and Operations Committee

Employee Trust Funds Board

From: Tarna Hunter, Budget and Management Director

Office of Budget and Management

Subject: Legislative Update

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

Proposed Legislation

2025 SB 35 and 2025 AB 36 allow an annuitant who was a law enforcement officer or fire fighter to return to work with an employer who participates in the Wisconsin Retirement System (WRS), work two-thirds of full-time, and elect to not become a participating employee for purposes of the WRS, and instead continue to receive his or her annuity.

2025 SB 35 was introduced by Sen. Jacque and referred to the Senate Committee on Judiciary and Public Safety. 2025 AB 36 was introduced by Rep. Wichgers and referred to the Assembly Committee on Workforce Development, Labor, and Integrated Employment.

On March 13, 2025, the Senate Committee on Judiciary and Public Safety held a public hearing on 2025 SB 35. On April 29, 2025, the Assembly Committee on Workforce Development, Labor, and Integrated Employment held a public hearing on 2025 AB 36. The Department of Employee Trust Funds (ETF) testified for information only at the hearings.

On May 29, 2025, the Assembly Committee on Workforce Development, Labor, and Integrated Employment recommended passage of the bill on a vote of 7-1.

2025 SB 105 and 2025 AB 138 allow an annuitant who was a protective occupation participant or an annuitant who was a county jailer who was not a protective occupation participant to return to work with an employer who participates in the WRS, work two-

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thirds of full-time, and elect to not become a participating employee for purposes of the WRS, and instead continue to receive his or her annuity.

2025 SB 105 was introduced by Sen. Tomczyk and referred to the Senate Committee on Judiciary and Public Safety. 2025 AB 138 was introduced by Rep. Donovan and referred to the Assembly Committee on State Affairs.

On April 1, 2025, the Senate Committee on Judiciary and Public Safety held a public hearing on 2025 SB 105. On May 21, 2025, the Assembly Committee on State Affairs held a public hearing on 2025 AB 138. ETF testified for information only at the hearings.

On May 29, 2025, the Assembly Committee on State Affairs recommended passage of the bill on a vote of 9-0.

2025 SB 170 and 2025 AB 196 make the following changes to WRS return-to-work laws:

- Allows an annuitant who returns to work for a WRS employer to not suspend their annuity for up to 60 months. On June 30, 2025, Rep. Wittke introduced an amendment removing the 60-month limit.
- Requires WRS employers that hire such annuitants to make payments to ETF
 equal to what they would have paid as required contributions for an active
 employee. These payments are deposited in the employer reserve account. No
 employee contribution is required.
- Repeals two obsolete provisions related to WRS return-to-work laws created during the public health emergency declared on March 12, 2020, by executive order 72, which ended on May 11, 2020.

2025 SB 170 was introduced by Sen. Marklein and referred to the Senate Committee on Transportation and Local Government. 2025 AB 196 was introduced by Rep. Wittke and referred to the Assembly Committee on Local Government.

On May 6, 2025, the Senate Committee on Transportation and Local Government held a public hearing on 2025 SB 170. On May 28, 2025, the Assembly Committee on Local Government held a public hearing on 2025 AB 196. ETF testified for information only at the hearings.

2025 SB 301 and 2025 AB 376 make the following changes to WRS return-to-work laws:

- Eliminates the annuity suspension requirement for WRS annuitants who return to work for a WRS employer and work more than two-thirds of full time.
- Reduces the break-in-service requirement from 75 days to 30 days.

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2025 SB 301 was introduced by Sen. Roys and referred to the Senate Committee on Transportation and Local Government. 2025 AB 376 was introduced by Rep. Mayadev and referred to the Assembly Committee on State Affairs.

<u>2025 SB 249</u> and <u>2025 AB 248</u> provides immediately upon a term expiring for an appointed position in a statewide department, agency, board, office, commission, authority, or other body in state government created or authorized to be created by the constitution or any law, but not including the legislature and the courts, a vacancy is created.

2025 SB 249 was introduced by Sen. Bradley and referred to the Senate Committee on Licensing, Regulatory Reform, State and Federal Affairs. 2025 AB 248 was introduced by Rep. Allen and referred to the Assembly Committee on State Affairs.

Staff will be at the Board meeting to answer any questions.