



STATE OF WISCONSIN
Department of Employee Trust Funds
Robert J. Conlin
SECRETARY

801 W Badger Road
PO Box 7931
Madison WI 53707-7931
1-877-533-5020 (toll free)
Fax (608) 267-4549
<http://etf.wi.gov>

CORRESPONDENCE MEMORANDUM

DATE: August 28, 2014

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

FROM: David H. Nispel, General Counsel
Dan Hayes, Attorney

SUBJECT: Status of Pending Legal Cases

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

This memorandum is presented quarterly to inform board members about the status of pending legal cases involving the Department of Employee Trust Funds (ETF) and the various retirement boards. In order to maintain Wisconsin Retirement System (WRS) member confidentiality, the names of the parties and case numbers are not identified in this memorandum.

The purpose of the memorandum is to inform Board members of litigation in which the Boards and/or ETF are parties, not to provide legal advice concerning the cases listed. If there are any questions about a particular case, we will provide you with the name of the attorney handling it.

As of August 28, 2014, there is one case pending in circuit court and one that was appealed that involve the various retirement boards and ETF.

Case No. 1:

Issue – Which party is entitled under the applicable law to the life insurance and retirement death benefits of the deceased WRS member?

Summary – The wife and sister of the deceased are involved in litigation to determine who is legally entitled to the life insurance and retirement death benefits. ETF was named as a defendant in an effort to prevent the death benefits from being paid. ETF informed the parties and the court that no payments will be made until the case is resolved.

Reviewed and approved by Robert J. Conlin, Secretary

Electronically Signed:
09/03/2014

Board	Mtg Date	Item #
JM	9.25.14	5G

Status – A four-day trial was held on April 1-4, 2014. On June 20, 2014 the judge issued an oral decision awarding most of the WRS life insurance and retirement death benefits to the WRS member's sister, but placing some of the funds in trusts for the wife and a niece. On July 16, 2014, the plaintiff/wife filed a motion for reconsideration of the judge's decision. That motion was denied in an oral decision rendered on August 27, 2014. The parties are now preparing an order for the court.

Attorney – DOJ attorney.

Case No. 2:

Issues – 1) Whether the ETF Board must adjust the date each petitioner should have been reported as a participating employee; 2) whether the seven year statute of limitation was applicable to the petitioners; and 3) whether the ETF Board had the authority to require the employer to pay the employee contribution for the petitioners.

Summary – A group of employees appealed an employer's determination that they were independent contractors and, as such, unable to participate in the WRS. The Administrative Law Judge and ETF Board found that the employees were participating employees in the WRS. However, the Board also determined that the employees must pay their employee contribution for the time period prior to the effective date of 2011 Wisconsin Act 10 and that the seven year statute of limitations applied and barred WRS participation before the seven year period prior to the appeals.

Status – The case was dismissed by the Circuit Court on February 21, 2014, on procedural grounds and is now in the Wisconsin Court of Appeals. The issue of whether the case was properly dismissed will be decided based on briefs, without oral argument. The parties are currently awaiting a decision by the court.

Attorney – DOJ attorney.

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