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Department of Employee Trust Funds  
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## Correspondence Memorandum

**Date:** May 26, 2016  
**To:** Employee Trust Funds Board  
Teachers Retirement Board  
Wisconsin Retirement Board  
**From:** David H. Nispel, General Counsel  
Dan Hayes, Attorney  
**Subject:** Status of Proposed Administrative Rules

**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 administrative rules being promulgated by the Department of Employee Trust Funds (ETF).

ETF is engaged in two rulemaking efforts. The first makes technical updates to existing ETF rules, deletes obsolete language in ETF rules, and makes other minor substantive changes. The changes include allowing the department to release retirement account information to a named joint survivor if the member dies or experiences a disabling injury or disease, and deleting obsolete language related to guardianships. The rule will eventually require the approval of the Employee Trust Funds, Wisconsin Retirement and Teachers Retirement Boards. It is currently under review by the Legislative Council Rules Clearinghouse, and a public hearing is scheduled for June 15, 2016, at 1:00 p.m. at ETF's Badger Road building.

The second proposed rule makes changes to the administrative code in order to properly administer provisions enacted by 2015 Wisconsin Act 174 in relation to employer election to participate in the Wisconsin Retirement System (WRS). The proposed administrative rules would also include clarification of requirements under federal tax law relating to employers' elections to include or exclude employees in a tax-qualified governmental pension plan.

2015 Wisconsin Act 174 allows an employer that elects to be included within the provisions of the WRS (participating employer) to elect to be a participating employer

Reviewed and approved by Robert J. Conlin, Secretary

Electronically Signed 6/7/16

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only with respect to employees hired on or after the date on which the employer elects to participate in WRS. The Act also provides that a municipal employer that elects to be a participating employer on or after March 2, 2016, only with respect to employees hired on or after the date on which the employer makes the election, may offer its current employees the option of becoming participating employees in the WRS. An employee who exercises this option must do so in writing, on a form provided by the Department of Employee Trust Funds, prior to the effective date on which the employer becomes a participating employer. Finally, the Act allows a municipal employer that elects to be a participating employer on or after March 2, 2016, to choose not to include its public utility employees as WRS participants.

On May 9, 2016, the Governor approved the statement of scope, and it was published in the Wisconsin Administrative Register on May 16, 2016. ETF is now in the process of drafting the rule.

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