



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
etf.wi.gov

Correspondence Memorandum

Date: December 13, 2017
To: Employee Trust Funds Board
Teachers Retirement Board
Wisconsin Retirement Board
From: Tarna Hunter, Legislative Liaison
Subject: Legislative Update

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

Proposed Legislation

The following bills are remedial legislation recommended by ETF. The changes clarify current law or codify current practice. These technical changes may require minor modifications to procedures and forms for members and employers, but do not make substantive changes.

2017 AB 6 clarifies the current waiting period is 180 calendar days for the employer's share of income continuation insurance premiums for certain teachers employed by the University of Wisconsin System.

2017 AB 7 clarifies 2011 Act 32 changes to eligibility rules for Wisconsin Retirement System participating employees.

2017 AB 8 clarifies that protective occupation employees who have attained age 50 and who are part-time elected officials may choose to waive WRS participation.

2017 AB 9 eliminates from statutes a requirement under the WRS that a retirement application that specifies an annuity date later than 60 days after receipt by ETF will not be accepted, unless the member is at an age where a required minimum distribution is due.

2017 AB 10 eliminates the requirement that a form to cancel life insurance takes effect at the end of the calendar month that begins after the form is received from an insured employee.

Reviewed and approved by Pam Henning, Assistant Deputy Secretary

Electronically Signed 12/13/17

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JM	12.14.17	4B

The bills were introduced by Rep. Ott and referred to the Assembly Committee on Judiciary. On January 19, 2017, the Assembly Committee on Judiciary held a public hearing on the above remedial legislation. An executive session has not been scheduled.

On December 12, 2017, the Law Revision Committee held a meeting to consider the introduction of remedial legislation proposed by ETF. The Committee unanimously voted in favor of introducing ETF's five remedial bill drafts. The statutory changes will be drafted in one bill and introduced by the Law Revision Committee.

2017 AB 62 would allow WRS participants to receive military service credits for any military service (current law requires that the service must have been performed prior to 1974). In addition, this bill would eliminate the current law restriction on receiving military service credit for service that is also used to receive a federal retirement benefit. Finally, the bill would allow for a participant to receive military service credits if that participant leaves WRS covered employment to enter military service and returns – to any WRS covered employment within 180 days of discharge (current law requires the participant to return to the same WRS employer).

2017 AB 62 was introduced by Rep. Hebl and was referred to the Committee on Veterans and Military Affairs. The bill has not been scheduled for a public hearing.

2017 AB 128 and **2017 SB 81** prohibit the Group Insurance Board from contracting for or providing abortion services, except in certain situations such as medical emergencies, danger to the long-term health of the pregnant woman, or in cases of sexual assault or incest.

2017 AB 128 was introduced by Rep. Jacque and referred to the Assembly Committee on Health. 2017 SB 81 was introduced by Sen. Craig and referred to the Senate Committee on Insurance Housing and Trade. On April 17, 2017, the Assembly Committee held a public hearing on AB 128 and on April 26 held an executive session and recommended passage 7-3. The Senate Committee held a public hearing on SB 81 and AB 128 on December 13, 2017.

2017 SB 190 and **2017 AB 324** increases the minimum retirement age by two years for protective occupation members and by five years for all other members.

- General employees, teachers, elected officials and executive employees are currently eligible to retire at age 55. The bill would change that to age 60.
- Protective employees, such as police and firefighters, are currently eligible to retire at age 50. The bill would change that to age 52.
- Changes the formula method for calculating a WRS retirement benefit from three to five years.
- Changes the formula benefit to be based on the average of the five highest years of earnings. Current law is the average of the three highest years of earnings.
- Changes would only apply to members hired on or after the effective date of the bill.

2017 SB 190 was introduced by Sen. Stroebel and referred to the Committee on Government Operations, Technology and Consumer Protection. 2017 AB 324 was introduced by Rep. August and referred to the Committee on State Affairs.

2017 SB 302 and **2017 AB 403** create the Wisconsin Private Retirement Security Board, which must establish a private retirement security plan to provide retirement benefits for residents of the state who choose to participate in the plan. The board is created within ETF by Chapter 15.

The bills require the Board, with the assistance of ETF, to conduct a study to determine the feasibility of establishing a plan, conduct at least five public hearings throughout the state and design the plan.

Eighteen months after the effective date, the Board must submit a report to the legislature, the governor and the Joint Committee on Finance with the following information:

- The conclusions of the feasibility study.
- A summary of the testimony received at public hearings.
- The proposed design of the plan.
- An estimate of the cost of the initial establishment and administration of the plan.
- An estimate of the amount of time necessary to make the plan viable.
- A recommendation for any legislation necessary to implement the plan

ETF is required to provide staff and resources to assist the board. The bill creates new appropriations within ETF's Chapter 20 to fund ETF's and the Board's responsibilities. ETF shall submit a request to the Joint Committee on Finance for a supplement for the initial costs of funding activities required by this bill. The bill provides that no moneys from the public employee trust fund may be expended for activities required by this bill.

2017 SB 302 was introduced by Sen. Hansen and referred to the Senate Committee on Workforce Development, Military Affairs and Senior Issues. 2017 AB 403 was introduced by Rep. Genrich and referred to the Committee on State Affairs.

2017 SB 577 and **2017 AB 676** make the following changes to the county jailer classification under the Wisconsin Retirement System:

- Classifies county jailers as protective occupation participants under the Wisconsin Retirement System without a requirement that their principal duties involve active law enforcement.
- Provides that county jailers who are employed by a county that did not classify county jailers as protective occupation participants on July 1, 2017 and become protective occupation participants under this bill, are required to pay all employer costs resulting from their classification as a protective occupation participant, including the cost of the duty disability program.

- Provides that county jailers who were classified as protective occupation participants before the bill's effective date and county jailers hired on or after the bill's effective date in counties that classified county jailers as protective occupation participants on July 1, 2017 are not required to pay the additional employer costs.
- Permits a county jailer to elect (irrevocable) at the time of hire not to become a protective occupation participant.
- Amends the Municipal Employment Relations Act regarding county jailers.

2017 SB 577 was introduced by Sen. Marklein and referred to the Committee on Government Operations, Technology and Consumer Protection. 2017 AB 676 was introduced by Rep. Born and referred to the Committee on Corrections. The bill has not been scheduled for a public hearing.

I will be available at the December 14, 2017, board meeting to answer questions.