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Correspondence Memorandum

Date: August 21, 2020

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

From: Dan Hayes, Attorney
 Office of Legal Services

Subject: Administrative Rules Update

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

This memo provides an update on the status of the proposed administrative rules that the boards approved at their December 12, 2019, meetings. The Department of Employee Trust Funds (ETF) sent the rules to the Governor for approval on December 17, 2019. The Governor approved both rules on July 31, 2020, and these will be sent to the Legislature for review. Because the Legislature’s regular 2019 – 2020 session has concluded, the rules will not be reviewed until the next legislative session.

Summaries of the two rules are as follows:

Disability Benefit Programs Redesign and Technical Changes to Regulations Related to the Duty Disability Program (CR 19-097)

ETF is proposing technical updates to regulations for the Long-Term Disability Insurance (LTDI) Program. These updates will reflect the closure of the program to new claims, which took effect on January 1, 2018. The closure of the LTDI Program is part of ETF’s effort to streamline the disability programs it offers and corresponds with the reopening of the disability annuity program under Wis. Stat. § 40.63. Currently, Chapter ETF 50 of the administrative code includes language that is no longer necessary now that the program is closed to new applications. In addition, the rule includes two minor technical modifications related to the Duty Disability Program established by Wis. Stat. § 40.65.

Technical Rule (CR 19-126)

ETF is proposing changes to Chapters ETF 10, 11, 20 and 60. The objective of this rule is to make technical updates to existing ETF rules, delete obsolete language in ETF

Reviewed and approved by David Nispel, General Counsel,
 Office of Legal Services

David H. Nispel

Electronically Signed 8/29/20

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rules, and make other minor substantive changes. The changes affecting the Wisconsin Retirement System (WRS) include:

- Updating the administrative code to be consistent with the rehired annuitant break in service provisions of 2015 Wisconsin Act 187;
- Removing obsolete references to domestic partnerships to be consistent with changes made in the 2017-2019 state budget;
- Updating ETF's rule about receipt of electronic correspondence to make it consistent with the Wisconsin circuit court e-filing initiative;
- Eliminating language that applies to domestic relations orders filed on or after January 1, 1982, and before April 28, 1990, because as of May 1, 2018, ETF cannot accept domestic relations orders during that timeframe pursuant to statute;
- Reorganizing the section on qualified domestic relations orders because the current organization is no longer sensible now that ETF no longer accepts these older domestic relations orders;
- Barring appeals seeking correction of an alleged error based on a claim of fraud unless commenced within three years, rather than six years, from the date of the discovery the fraud, due to a recent statutory change';
- Clarifying the role and responsibilities of the appeals coordinator and board staff in administrative appeals;
- Making other minor changes to clean-up the administrative code, such as correcting out-of-date cross-references and references to obsolete ETF forms.

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