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Correspondence Memorandum

Date: September 18, 2023

To: Budget and Operations Committee
 Employee Trust Funds Board
 Teachers Retirement Board
 Wisconsin Retirement Board

From: Tarna Hunter, Government Relations Director
 Office of Budget and Management

Subject: Legislative Update

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

2023 Session – Enacted Legislation

2023 Wisconsin Act 4 makes the following changes to the county jailer classification under the Wisconsin Retirement System (WRS):

- 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 the effective date of the bill, 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 the effective date of the bill are not required to pay the additional employer costs.
- Establishes procedures for counties and jailers in counties that classified jailers as protective occupation participants on the bill's effective date and subsequently determines to classify them as general employees.
- 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.

Pamela L Henning

Reviewed and approved by Pam Henning, Assistant Deputy Secretary
 Electronically Signed 09/18/2023

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BUD	09.21.23	5
JM	09.21.23	4B

2023 Act 4 is effective January 1, 2024.

[2023 Wisconsin Act 12](#) modifies the state's approach to shared revenue for local governments; repeals Wisconsin's personal property tax; and authorizes the City of Milwaukee and Milwaukee County to impose sales and use taxes, primarily to address the city and county's unfunded pension system liabilities. Imposing the sales tax would require the City of Milwaukee and Milwaukee County to join the WRS.

Additionally, the law closes the City of Milwaukee and Milwaukee County retirement systems to new city and county employees, prohibits the city or county from creating a new retirement system, and prohibits the city or county from changing the benefits of employees that remain enrolled in the two retirement systems.

Both the City of Milwaukee and Milwaukee County obtained approval from 2/3rds of the Milwaukee City Common Council and the County Board of Supervisors. Milwaukee City and Milwaukee County are planning to join the WRS in 2024 and 2025, respectively.

2023 Act 12 is effective June 22, 2023.

2023 Session – Proposed Legislation

[2023 SB 9](#) and [2023 AB 18](#) make the following changes to the return-to-work requirements for teachers:

- Eliminates the annuity suspension requirement for teachers of school districts who return-to-work as a substitute teacher for a school district and work more than two-thirds of full time;
- Reduces the break-in-service requirement for teachers of school districts from 75 days to 30 days; and
- Applies to retired teachers who are hired between the effective date of the bill and August 1, 2026.

2023 SB 9 was introduced by Sen. Jacque and referred to Senate Committee on Government Operations, Elections and Consumer Protection. 2023 AB 18 was introduced by Rep. Tittl and referred to the Assembly Committee on State Affairs.

[2023 AB 227](#) and [2023 SB 224](#) eliminate sick leave credits for state representatives and state senators. Under the bill, the current accumulated sick leave balances of legislators would not be affected. The bill would not make any changes to the state's sick leave conversion credit programs.

2023 AB 227 was introduced by Rep. Steffen and was referred to the Assembly Committee on State Affairs. 2023 SB 224 was introduced by Sen. Felzkowski and referred to the Senate Committee on Government Operations.

[2023 SB 273](#) and [2023 AB 278](#) allow an annuitant who was a law enforcement officer or fire fighter to return to work with an employer who participates in the 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.

2023 SB 273 was introduced by Sen. Jacque and referred to the Senate Committee on Government Operations. 2023 AB 278 was introduced by Rep. Wichgers and referred to the Assembly Committee on Labor and Integrated Employment.

[2023 SB 432](#) modifies various insurance statutes that are administered by the Office of the Commissioner of Insurance (OCI). The following provision relates to the Wisconsin Retirement Board:

Allows the commissioner of insurance to appoint the deputy commissioner, chief legal counsel, or chief financial regulator in OCI to serve as a member on the Wisconsin Retirement Board, rather than limiting the commissioner's designee to an experienced actuary in OCI.

2023 SB 432 was introduced by Sen. Felzkowski and referred to the Senate Committee on Insurance and Small Business.

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