

2007 SENATE BILL 222

June 29, 2007 – Introduced by Senators RISSER, LEHMAN, SCHULTZ, ERPENBACH, VINEHOUT and HANSEN, cosponsored by Representatives SHERMAN, MUSSER, BLACK, POCAN, JORGENSEN, BOYLE, BERCEAU, CULLEN, TURNER, SEIDEL, HEBL, VRUWINK, HIXSON, SHERIDAN, SCHNEIDER, TRAVIS, PARISI, BENEDICT, YOUNG, ZEPNICK, POPE-ROBERTS, BIES and SINICKI. Referred to Joint Survey Committee on Retirement Systems.

1 **AN ACT to amend** 40.22 (2m) (a) and 40.23 (2m) (fm) of the statutes; **relating**
2 **to:** retirement benefits provided to educational support personnel under the
3 Wisconsin Retirement System.

Analysis by the Legislative Reference Bureau

This bill increases Wisconsin Retirement System (WRS) benefits provided to an “educational support personnel employee” who is defined under current law as any school district employee other than a teacher, librarian, or administrator. The bill makes the following changes to the WRS:

1. Under current law, to become covered under the WRS, an individual must work for a covered employer at least one-third of what is considered full-time employment, as determined by the Department of Employee Trust Funds (DETF) by rule. For all WRS participants, other than teachers, librarians, and administrators, DETF defines full-time employment to be 1,904 hours per year and one-third employment to be 600 hours per year. In contrast, for teachers, librarians, and administrators, DETF defines full-time employment to be 1,320 hours per year and one-third employment to be 440 hours per year. This bill requires that educational support personnel employees and teachers, librarians, and administrators must be treated the same in terms of qualifying for coverage under the WRS, with full-time employment for educational support personnel employees set at 1,320 hours per year.

2. Under current law, for early retirement purposes under the WRS, a participant, other than a teacher, librarian, or administrator, with at least 0.75 of a

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year of creditable service in any annual earnings period must be treated as having one year of creditable service for that annual earnings period. To be eligible for the treatment, the participant must have earned only a partial year of creditable service in at least five of the ten annual earnings periods immediately preceding the annual earnings period in which the participant terminated covered employment. This bill provides that, for early retirement purposes, a participant's amount of creditable service in any annual earnings period shall be treated as the amount of creditable service that a teacher, librarian, or administrator would earn for that annual earnings period. Because DETF defines full-time employment to be 1,320 hours per year for a teacher, librarian, or administrator, this bill will reduce the number of hours required for early retirement purposes for all other WRS participants, to qualify for a year of creditable service, from 1,428 hours to 1,320 hours per year.

Because this bill relates to public employee retirement or pensions, it may be referred to the Joint Survey Committee on Retirement Systems for a report to be printed as an appendix to the bill.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 40.22 (2m) (a) of the statutes is amended to read:

2 40.22 **(2m)** (a) At least one year for at least one-third of what is considered
3 full-time employment by the department, as determined by rule, or, for an
4 educational support personnel employee, at least one year for at least one-third of
5 what is considered full-time employment for a teacher.

6 **SECTION 2.** 40.23 (2m) (fm) of the statutes is amended to read:

7 40.23 **(2m)** (fm) Notwithstanding s. 40.02 (17) (intro.), for purposes of
8 determining creditable service under par. (f) 2., ~~participants with at least 0.75 of a~~
9 ~~year~~ a participant's amount of creditable service in any annual earnings period shall
10 be treated as ~~having one year~~ the amount of creditable service that a teacher would
11 earn for that annual earnings period. To be eligible for the treatment provided by
12 this paragraph, the participant must have earned only a partial year of creditable
13 service in at least 5 of the 10 annual earnings periods immediately preceding the

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1 annual earnings period in which the participant terminated covered employment,
2 and the participant must notify the department of the applicability of this paragraph
3 to the participant's service. The participant is not eligible for the treatment provided
4 by this paragraph if such notification is provided by the participant later than 60
5 days after the participant's annuity effective date. This paragraph does not apply
6 to service credited under s. 40.02 (15) or to creditable service as a teacher.

7 **SECTION 3. Initial applicability.**

8 (1) This act first applies to the calculation of benefits provided to participants
9 in the Wisconsin Retirement System who are participating employees in the
10 Wisconsin Retirement System on the effective date of this subsection.

11

(END)