



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-4976/1
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2019 ASSEMBLY BILL 698

December 23, 2019 - Introduced by Representatives POPE, ANDERSON, BILLINGS, CONSIDINE, HEBL, MILROY, L. MYERS, OHNSTAD, SARGENT, SHANKLAND, SINICKI, SPREITZER, STUBBS, C. TAYLOR, VRUWINK and ZAMARRIPA, cosponsored by Senators SMITH, RINGHAND, RISSER, SCHACHTNER and WIRCH. Referred to Committee on State Affairs.

1 **AN ACT** *to amend* 40.22 (1), 40.22 (2m) (intro.), 40.22 (2r) (intro.) and 40.22 (3)
2 (intro.); and *to create* 40.26 (6) (intro.), (a) and (b) of the statutes; **relating to:**
3 annuitants in the Wisconsin Retirement System who retire from employment
4 as a teacher and are rehired by or provide employee services to a school district
5 that is a participating employer.

Analysis by the Legislative Reference Bureau

Under current law, if a Wisconsin Retirement System annuitant, or a disability annuitant who has attained his or her normal retirement date, is appointed to a position with a WRS-participating employer, or provides employee services to a WRS-participating employer in which he or she is expected to work at least two-thirds of what is considered full-time employment by the Department of Employee Trust Funds, the annuity must be suspended and no annuity payment is payable until after the participant again terminates covered employment.

This bill creates an exception to this requirement for an annuitant who retired from employment as a teacher with a school district who is subsequently rehired or provides employee services as a teacher after retirement if 1) the participating employer is a school district; 2) at least 30 days have elapsed from the date the person left covered employment with a school district; 3) at the time the person initially retires from a school district, the person does not have an agreement with any school district to return to employment; and 4) the person elects to not become a participating employee at the time the person is rehired as a teacher by a school

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district or enters into a contract to provide employee services as a teacher after retirement. In other words, the bill allows a teacher annuitant who retired from a school district to return to work as a teacher for a school district that is a participating employer and elect to not become a participating employee for purposes of the Wisconsin Retirement System, and instead continue to receive his or her annuity.

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.

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

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

2 40.22 (1) Except as provided in sub. (2) and s. 40.26 (6), each employee
3 currently in the service of, and receiving earnings from, a state agency or other
4 participating employer shall be included within the provisions of the Wisconsin
5 retirement system as a participating employee of that state agency or participating
6 employer.

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

8 40.22 (2m) (intro.) ~~An~~ Except as otherwise provided in s. 40.26 (6), an employee
9 who was a participating employee before July 1, 2011, who is not expected to work
10 at least one-third of what is considered full-time employment by the department,
11 as determined by rule, and who is not otherwise excluded under sub. (2) from
12 becoming a participating employee shall become a participating employee if he or she
13 is subsequently employed by the state agency or other participating employer for
14 either of the following periods:

15 **SECTION 3.** 40.22 (2r) (intro.) of the statutes is amended to read:

16 40.22 (2r) (intro.) ~~An~~ Except as otherwise provided in s. 40.26 (6), an employee
17 who was not a participating employee before July 1, 2011, who is not expected to work

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1 at least two-thirds of what is considered full-time employment by the department,
2 as determined by rule, and who is not otherwise excluded under sub. (2) from
3 becoming a participating employee shall become a participating employee if he or she
4 is subsequently employed by the state agency or other participating employer for
5 either of the following periods:

6 **SECTION 4.** 40.22 (3) (intro.) of the statutes is amended to read:

7 40.22 (3) (intro.) ~~A~~ Except as otherwise provided in s. 40.26 (6), a person who
8 qualifies as a participating employee shall be included within, and shall be subject
9 to, the Wisconsin retirement system effective on one of the following dates:

10 **SECTION 5.** 40.26 (6) (intro.), (a) and (b) of the statutes are created to read:

11 40.26 (6) (intro.) Subsections (1) to (5) do not apply to a participant who applies
12 for an annuity or lump sum payment during the period in which at least 30 days have
13 elapsed between the participant's termination of employment as a teacher with a
14 school district that is a participating employer, and becoming a teacher as an
15 employee or contractor providing employee services as a teacher with any school
16 district that is a participating employer if all of the following conditions are met:

17 (a) At the time the participant terminates his or her employment as a teacher
18 with a school district, the participant does not have an agreement with any school
19 district that is a participating employer to return to employment as a teacher or enter
20 into a contract to provide employee services as a teacher for the school district.

21 (b) The participant elects on a form provided by the department to not become
22 a participating employee.

23 **SECTION 6. Initial applicability.**

