

**State of Wisconsin
Department of Employee Trust Funds
Employee Trust Funds Board
Wisconsin Retirement Board
Teachers Retirement Board**

FINAL DRAFT REPORT ON CLEARINGHOUSE RULE #23-023

An order to repeal ETF 10.61 and 62, 10.82 (2) (f) 3., 52.06 (1) and (2) (b), and 52.10 (2); to renumber ETF 10.50, 10.82 (2) (f) 1., 52.06 (2) (a), and 52.10 (1); to amend ETF 10.01 (3d), 10.64 (1), 10.75 (2) (e), 20.03 (1), 20.07 (3), (5) and (5) Note, 50.58 (2), 52.07 (3) (d), 52.28 (2), and 60.53 (2) (e) 1. c., (2) (f) and (2) (g); and to create ETF 10.50 (2), 20.35 (1) (a) Note, and 50.315; relating to technical and minor substantive changes to update ETF rules.

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The scope statement for this rule, SS 005-23, was approved by the Governor on December 15, 2022, published in Register No. 805A3, on January 17, 2023, and approved by ETF Secretary A. John Voelker on January 30, 2023.

Agency Person to be Contacted for Questions

Please direct any questions about the final rule to Daniel Hayes, Attorney, Department of Employee Trust Funds, P.O. Box 7931, Madison WI 53707. Telephone: (608) 266-0222. E-mail address: daniel.hayes@etf.wi.gov.

Statement Explaining Need for Rule

This rulemaking is needed to make technical updates to ETF rules by removing obsolete language, adjusting language to account for changes in Federal and Wisconsin law, and correcting references to repealed or renumbered statutes.

Analysis Prepared by the Department of Employee Trust Funds

1. Statutes interpreted:
Sections 40.02 (48m) and (48r), 40.05 (4), 40.23, 40.63, 40.65, and 40.95 Stats.
2. Statutory authority:
Sections 40.03 (2) (i) and 227.11 (2) (a), Stats.
3. Explanation of agency authority:
By statute, the ETF Secretary is expressly authorized, with approval by the Employee Trust Funds Board, Teachers Retirement Board and Wisconsin Retirement Board to promulgate rules that are required for the efficient administration of the fund or of any of the benefit plans established by ch. 40 of the Wisconsin Statutes.

In addition, each state agency may promulgate rules interpreting the provisions of any statute enforced or administered by the agency if the agency considers it necessary to effectuate the purpose of the statute.

4. Related statutes or rules:

There are no other related statutes or administrative rules directly related to this rule.

5. Brief summary of the final rule:

The objective of this rule is to make technical updates to existing ETF rules, delete obsolete language in ETF rules, and make other minor substantive changes. ETF rules are modified by:

- Updating the code to be consistent with required minimum distribution provisions of the federal Setting Every Community Up for Retirement Enhancement (SECURE) Act, SECURE 2.0 Act and 2021 Wisconsin Act 245.
- Updating the definition of “guardian” to be consistent with changes in the child guardianship law.
- Removing obsolete sections related to Social Security wage reporting requirements because the Social Security Administration no longer has authority to collect those reports.
- Adding a reference to the Chapter 244 definition of “incapacity” to power of attorney requirements.
- Clarifying that sick leave must be earned during participating employment to be used in the calculation of accumulated sick leave credits. Examples of situations where clarity is needed include when a rehired annuitant comes back to non-participating employment in which they earn sick leave and certain employees who earn sick leave for non-participating employment but eventually move to participating employment. When such employees terminate, only the sick leave earned in participating employment should be certified for the sick leave programs in order to ensure those programs are adequately funded.
- Amending the code to round an annuity applicant’s age to the nearest month, rather than the nearest quarter year for annuity option conversion purposes.
- Deleting a reference to the private employer health care coverage program and board because that program and board do not currently exist.
- Providing for the termination of a disability annuity for fraud, misrepresentation, error, or mistake; this language is consistent with the text in ETF 50.56 (2), which relates to Long Term Disability Insurance (LTDI) benefits.
- Clarifying the effective date of the suspension of LTDI benefits when a recipient exceeds the earnings limit.
- Clarifying that an employee who did not meet any qualifying criteria prior to retirement, and who never returned to work after their date of injury, qualifies for duty disability benefits under the “reduction in position” eligibility provision.
- Deleting obsolete, minor provisions related to duty disability applications filed prior to May 3, 1988, and January 1, 1995; and
- Making the code consistent with statutory language regarding duty disability appeals being filed with the division of hearings and appeals in the department of

administration.

6. Summary of, and comparison with, existing or proposed federal statutes and regulations:
The required minimum distribution (RMD) provisions of the of the federal SECURE Act are codified at 26 U.S.C. § 401 (a) (9). Recent amendments change the required beginning date for RMDs. The Wisconsin Retirement System is a qualified plan under the federal Internal Revenue Code and must comply with 26 U.S.C. § 401 (a) (9).
7. Comparison with rules in adjacent states:
As the changes are technical updates to correct obsolete language and make ETF rules consistent with recent changes in Wisconsin law, there is no directly applicable comparison to adjacent states. Periodically, similar agencies in adjacent states promulgate technical rules to update existing administrative rules.
8. Summary of factual data and analytical methodologies:
Due to changes in Federal and Wisconsin law, the ETF rules contain obsolete regulatory provisions, terms, and cross-references. The technical changes would allow ETF rules to be consistent with recent changes in Federal and Wisconsin law, rather than continuing with outdated language in the code. Additionally, correction of obsolete terms will make the ETF rules more accurate and prevent confusion by those subject to the rules.
9. Analysis and supporting documents used to determine effect on small business or in preparation of economic impact analysis:
This rule does not have an effect on small businesses because private employers and their employees do not participate in, and are not covered by, the Wisconsin Retirement System. Please see attached economic impact analysis.
10. Effect on small business:
The rule has no effect on small businesses.

Regulatory Flexibility Analysis:

The final rule has no effect on small businesses because only governmental employers and their employees may participate in the benefit programs under ch. 40 of the statutes administered by the Department of Employee Trust Funds.

Fiscal Estimate and Economic Impact Statement:

Please see the attached fiscal estimate.

Text of Final Rule

SECTION 1. ETF 10.01 (3d) is amended to read:

ETF 10.01 (3d) “Guardian” has the meaning given in s. 54.01 (10), Stats., and includes conservators appointed pursuant to s. 54.76, Stats. For minor children, “Guardian” also has the meaning given in s. 48.02 (8), Stats., and includes the authority provided in s. 48.023, Stats.

SECTION 2. ETF 10.50 is renumbered ETF 10.50 (1).

SECTION 3. ETF 10.50 (2) is created to read:

ETF 10.50 (2) Only participating employment and sick leave earned during participating employment can be used in the calculation of credits under ss. 40.05 (4) and 40.95, Stats.

SECTION 4. ETF 10.61 and 10.62 are repealed.

SECTION 5. ETF 10.64 (1) is amended to read:

ETF 10.64 (1) Except as provided in s. ETF 10.63 (2) and (3) and this subsection, any report or remittance not received within the period specified in this chapter, ch. 40, Stats., or an insurance contract between the group insurance board and an insurance carrier shall be subject to the charges and interest calculated in accordance with the provisions of s. 40.06, Stats. Reports and remittances required under ~~ss. ETF 10.61, 10.62 and s. 10.63 (1) (f)~~ are not subject to the interest charges under s. 40.06 (5), Stats.

SECTION 6. ETF 10.75 (2) (e) is amended to read:

ETF 10.75 (2) (e) If the power of attorney is conditioned on the incapacitation of the principal, upon request of the department or the Wisconsin deferred compensation program administrator the agent provides evidence satisfactory to the department or the Wisconsin deferred compensation program administrator that the principal has become incapacitated. “Incapacity” has the meaning given in s. 244.02 (7), Stats.

SECTION 7. ETF 10.82 (2) (f) 1. is renumbered ETF 10.82 (2) (f).

SECTION 8. ETF 10.82 (2) (f) 3. is repealed.

SECTION 9. ETF 20.03 (1) is amended to read:

ETF 20.03 (1) For purposes of annuity computations, ~~other than option conversion,~~ an applicant's age shall be determined to the nearest month. ~~For option conversion purposes, an applicant's age shall be determined to the quarter year.~~

SECTION 10. ETF 20.07 (3), (5), and (5) (Note) are amended to read:

ETF 20.07 (3) The effective date of the automatic distribution paid under sub. (2) shall be January 1 of the year in which the participant attains or would have attained the age 70.5 years provided in section 401 (a) (9) of the Internal Revenue Code, or January 1 of the year following the year in which the participant retires, if later. Standard sequence under s. 40.02 (8) (a) 2., Stats., shall become effective with regard to beneficiaries of death benefits under ss. 40.71 and 40.73, Stats., on the effective date of the automatic distribution.

(5) The department shall distribute the account as specified in this section unless the department receives the participant's or alternate payee's application for the benefit on a form provided by the department. The application may specify a deferred effective date which may not be later than March 1 of the calendar year ~~in which the participant will attain the age of 71.5 years after the year in which participant attains the age provided in section 401 (a) (9) of the Internal Revenue Code~~, or March 1 of the calendar year following the year in which the participant retires, if later. For alternate payees of deceased participants, the deferred effective date may not be later than March 1 of the calendar year ~~in which the participant would have attained the age of 71.5 years~~. after the participant would have attained the age provided in section 401 (a) (9) of the Internal Revenue Code. The department must receive the application specifying a deferred benefit effective date on or after January 1 of the year before the year in which the participant attains (or, for alternate payees of deceased participants, would have attained) the age ~~of 69.5~~ provided in section 401 (a) (9) of the Internal Revenue Code, but no later than the deadline to request cancellation provided under s. ETF 20.20 (3) or (4) with respect to the benefit which is being automatically distributed.

(5) Note: Federal regulations require that a distribution from a qualified retirement plan begin no later than April 1 of the year following the year in which the participant ~~turns age 70.5~~ would have attained the age provided in section 401 (a) (9) of the Internal Revenue Code or retires, whichever is later. A form specifying a requested annuity effective date, form ET-4934, is available from the department of employee trust funds at no charge.

SECTION 11. ETF 20.35 (1) (a) (Note) is created to read:

ETF 20.35 (1) (a) Note: The department has approved the following forms for orders to divide benefits of the Wisconsin retirement system: ET-4926, Order to Divide Wisconsin Retirement System Benefits, for use if the termination of a marriage or domestic partnership occurred inside of Wisconsin; and ET-4935, Foreign Jurisdiction Order to Divide Wisconsin Retirement System Benefits, for use if the termination of a marriage or domestic partnership occurred outside of Wisconsin but within a state or territory of the United States. Either form is available from the department of employee trust funds at no charge or can be accessed on the department's website by searching for the form number.

SECTION 12. ETF 50.315 is created to read:

ETF 50.315 Termination for fraud, misrepresentation, error, or mistake.

(1) Payment of disability annuity benefits under s. 40.63, Stats., may be terminated immediately and overpayment recovered upon a department determination of either of the following:

(a) Disability annuity benefits were granted as the result of fraud or misrepresentation in the application or in required evidence of eligibility.

(b) Disability annuity benefits were granted due to an error or mistake by the department or due to an error or mistake in the information supplied by the employer used for determining eligibility, effective date, or amount of disability annuity benefits.

(2) The amount of monthly disability annuity benefits may be altered upon a determination that the amount of disability annuity benefits was computed in error.

(3) Disability annuity benefits may be terminated effective upon a determination by the department that the recipient has made misrepresentations or submitted false or fraudulent information regarding continued disability, earnings, wages, salary, or other earned income.

(4) If the department alters the amount of monthly disability annuity benefits under sub. (2) or terminates payment of disability annuity benefits under sub. (3), the department shall send notice of the action to the recipient. The notice shall be in the form of a written determination stating the reasons for the alternation or termination. The recipient may file a timely appeal of the alteration or termination with the appropriate board as provided in ch. ETF 11. If no timely appeal is filed, the alteration or termination of disability annuity benefits is final.

SECTION 13. ETF 50.58 (2) is amended to read:

ETF 50.58 (2) EXCEEDING EARNINGS LIMIT. Notwithstanding s. ETF 50.56 (4) (a), LTDI benefits for a recipient under this section may not be terminated for exceeding the earnings limit. The payment of LTDI benefits shall be suspended and no LTDI benefits shall be payable after the first of the month in which ~~a determination is made by the department that~~ the recipient has received during the calendar year earnings or other earned income exceeding the earnings limit. Payment of LTDI benefits suspended under this paragraph shall resume on the first day of the next calendar year.

SECTION 14. ETF 52.06 (1) and (2) (b) are repealed.

SECTION 15. ETF 52.06 (2) (a) is renumbered ETF 52.06 (2).

SECTION 16. ETF 52.07 (3) (d) is amended to read:

ETF 52.07 (3) (d) The employer reduces the applicant's position. Assigning a formerly full-time employee to a part-time position or reducing a part-time employee's hours is considered a reduction of position for the purposes of this chapter. An employee who never returns to work after the date of their injury is also considered to have received a reduction in position for the purposes of this chapter if they do not meet any other qualifying criteria prior to or other than retirement. Assigning the applicant to a position which does not satisfy the criteria under s. 40.02 (48), Stats., defining a protective occupation participant is a reduction of position for the purposes of this chapter.

SECTION 17. ETF 52.10 (1) is renumbered 52.10.

SECTION 18. ETF 52.10 (2) is repealed.

SECTION 19. ETF 52.28 (2) is amended to read:

ETF 52.28 (2) Determinations made by the department under this chapter as to an applicant's eligibility for duty disability benefits may be appealed to the division of hearings and appeals in the department of ~~workforce development~~ administration under s. 40.65 (2) (b) 3, Stats. The department is a necessary party.

SECTION 20. ETF 60.53 (2) (e) 1. c., (2) (f) and (2) (g) are amended to read:

ETF 60.53 (2) (e) 1. c. For an application for any optional form of payment, the last working day of the year before the year in which the participant would have attained the age 69.5 provided in section 401 (a) (9) of the Internal Revenue Code. The department may not accept an application for a monthly annuity under this subdivision if the department receives the application after the application date specified in par. (c), unless the beneficiary files a beneficiary designation that the department receives by that date or by September 30, 1999, whichever is later.

(2) (f) During the calendar year before the year that the participant would have attained the age 69.5 provided in section 401 (a) (9) of the Internal Revenue Code, a beneficiary who was the spouse of the participant at the time of death and who has filed a beneficiary designation if required under par. (e) 1. c., may apply for a death benefit with a deferred effective date which may not be later than January 1 of the year in which the participant would have attained the age 70.5 provided in section 401 (a) (9) of the Internal Revenue Code.

(2) (g) Unless the account is considered abandoned as provided in s. 40.08 (8) (a) 2. or 2m., Stats., the department shall distribute the death benefit as a lump sum unless it has received an application for the death benefit within the applicable deadline specified in par. (d) or (e). If the application was due under par. (d) or (e) 1. b., the department shall make the distribution on or before the last working day of the fifth calendar year following the year of the death of the participant or alternate payee. If the application was due under par. (e) 1. c., the department shall make the distribution effective January 1 of the year in which the participant would have attained the age 70.5 provided in section 401 (a) (9) of the Internal Revenue Code. Beneficiaries may not cancel distributions made under this paragraph.

SECTION 21. EFFECTIVE DATE. This rule shall take effect on the first day of the month following publication in the Wisconsin Administrative Register as provided in s. 227.22 (2) (intro.), Stats.



Wisconsin Legislative Council

RULES CLEARINGHOUSE

Scott Grosz
Clearinghouse Director

Anne Sappenfield
Legislative Council Director

Margit Kelley
Clearinghouse Assistant Director

CLEARINGHOUSE REPORT TO AGENCY

[THIS REPORT HAS BEEN PREPARED PURSUANT TO S. 227.15, STATS. THIS IS A REPORT ON A RULE AS ORIGINALLY PROPOSED BY THE AGENCY; THE REPORT MAY NOT REFLECT THE FINAL CONTENT OF THE RULE IN FINAL DRAFT FORM AS IT WILL BE SUBMITTED TO THE LEGISLATURE. THIS REPORT CONSTITUTES A REVIEW OF, BUT NOT APPROVAL OR DISAPPROVAL OF, THE SUBSTANTIVE CONTENT AND TECHNICAL ACCURACY OF THE RULE.]

CLEARINGHOUSE RULE **23-023**

AN ORDER to repeal ETF 10.61 and 62, 10.82 (2) (f) 3., 52.06 (1) and (2) (b), and 52.10 (2); to renumber ETF 10.50, 10.82 (2) (f) 1., 52.06 (2) (a), and 52.10 (1); to amend ETF 10.01 (3d), 10.64 (1), 10.75 (2) (e), 20.03 (1), 20.07 (3), (5) and (5) Note, 20.35 (1) (a), 50.58 (2), 52.07 (3) (d), 52.28 (2), and 60.53 (2) (e) 1. c., (2) (f) and (2) (g); and to create ETF 10.50 (2), 20.35 (1) (a) Note, and 50.315, relating to technical and minor substantive changes to update ETF rules.

Submitted by **DEPARTMENT OF EMPLOYEE TRUST FUNDS**

05-01-2023 RECEIVED BY LEGISLATIVE COUNCIL.

05-26-2023 REPORT SENT TO AGENCY.

SG:DWS

LEGISLATIVE COUNCIL RULES CLEARINGHOUSE REPORT

This rule has been reviewed by the Rules Clearinghouse. Based on that review, comments are reported as noted below:

1. STATUTORY AUTHORITY [s. 227.15 (2) (a)]

Comment Attached YES NO

2. FORM, STYLE AND PLACEMENT IN ADMINISTRATIVE CODE [s. 227.15 (2) (c)]

Comment Attached YES NO

3. CONFLICT WITH OR DUPLICATION OF EXISTING RULES [s. 227.15 (2) (d)]

Comment Attached YES NO

4. ADEQUACY OF REFERENCES TO RELATED STATUTES, RULES AND FORMS [s. 227.15 (2) (e)]

Comment Attached YES NO

5. CLARITY, GRAMMAR, PUNCTUATION AND USE OF PLAIN LANGUAGE [s. 227.15 (2) (f)]

Comment Attached YES NO

6. POTENTIAL CONFLICTS WITH, AND COMPARABILITY TO, RELATED FEDERAL REGULATIONS [s. 227.15 (2) (g)]

Comment Attached YES NO

7. COMPLIANCE WITH PERMIT ACTION DEADLINE REQUIREMENTS [s. 227.15 (2) (h)]

Comment Attached YES NO



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CLEARINGHOUSE RULE 23-023

Comments

[NOTE: All citations to “Manual” in the comments below are to the Administrative Rules Procedures Manual, prepared by the Legislative Council Staff and the Legislative Reference Bureau, dated November 2020.]

1. Statutory Authority

a. It is not clear as to why the clarification provided under SECTION 3 is necessary. Please provide more context describing the need for the clarification. Which category of eligible employee may earn sick leave that is not creditable for health insurance premium purposes? If possible, provide examples of circumstances where employers or employees have attempted to use sick leave credits earned outside of participating employment in the calculation of health insurance premium credits.

b. It is not clear why ss. ETF 10.61 and 10.62 are being repealed in SECTION 4. Please explain why these sections are no longer necessary for the purposes of OASDHI reporting.

c. In SECTION 8, it is not clear why it is necessary to repeal the exclusion of documents transmitted in relation to the private employer health care coverage board. Is the board no longer active or may the documents now be received electronically for some reason?

d. Additional context for the provisions of the proposed rule deleting “obsolete language” and making other “minor substantive changes” would assist in the verification of the statutory authority for such modifications. Please consider adding individual descriptions of the need for each repeal and amendment.

2. Form, Style and Placement in Administrative Code

In SECTION 17, the term “full protective duty” is not defined elsewhere in the rule or in statute. This term should be defined in order to clarify its meaning. Note, however, that in subsequent correspondence, the agency indicated its intent to modify the provision to read, “after the date of their injury”, instead of the original language, “after their last day in full protective duty”. Such modification would rectify the issue.

Response to Legislative Council Staff Recommendations

ETF implemented all the Legislative Council Staff recommendations contained in the Clearinghouse Report. With respect to comment 2. regarding SECTION 17, the department initially proposed the following amendment:

SECTION 17. ETF 52.07 (3) (d) is amended to read:

ETF 52.07 (3) (d) The employer reduces the applicant's position. Assigning a formerly full-time employee to a part-time position or reducing a part-time employee's hours is considered a reduction of position for the purposes of this chapter. An employee who never returns to work after their last day worked in full protective duty is also considered to have received a reduction in position for the purposes of this chapter if they do not meet any other qualifying criteria prior to or other than retirement. Assigning the applicant to a position which does not satisfy the criteria under s. 40.02 (48), Stats., defining a protective occupation participant is a reduction of position. for the purposes of this chapter.

Upon further review, the department would like to change "after their last day worked in full protective duty" to "after the date of their injury" because an employee's last day in full protective duty may not be the same day as their date of injury. It could be after their date of injury. Although not common, there are scenarios in which an employee could return to full protective duty after their date of injury, and then later retire due to the injury. In this scenario, assuming they did not meet one of the other qualifying criteria prior to retiring, the employee's qualifying date should be their date of retirement.

List of Persons Who Appeared or Registered at the Public Hearing.

No persons appeared or registered either for or against the rule at the public hearing on June 1, 2023.

Summary of Public Comments.

No members of the public offered testimony at the public hearing. The record was held open for written comments until 4:30 p.m. on June 1, 2023.

Modifications to Rule as Originally Proposed as a Result of Public Comments.

None.

Modifications to the Analysis Accompanying the Proposed Rule.

Modifications were made to the brief summary of the proposed rule in response to comments by the Legislative Council Rules Clearinghouse.

Modifications to the Initial Fiscal Estimate.

None.

Board Authorization for Promulgation.

This final draft report on Clearinghouse Rule #23-023 has been duly approved for promulgation and submission to the Governor and Legislature by the Employee Trust Funds Board, Wisconsin Retirement Board and Teachers Retirement Board at their meetings on September 21, 2023.

Effective Date.

This rule shall take effect on the first day of the month following publication in the Wisconsin Administrative Register as provided in s. 227.22 (2) (intro.), Stats.

Respectfully submitted,

DEPARTMENT OF EMPLOYEE TRUST FUNDS



A. John Voelker
Secretary

Date: 12/11/2023

ADMINISTRATIVE RULES

Fiscal Estimate & Economic Impact Analysis

<p>1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected</p>	<p>2. Date 05/01/2023</p>
<p>3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) ETF 10, 20, 50, 52, and 60</p>	
<p>4. Subject Technical updates to five ETF chapters in order to correct obsolete language and make ETF rules consistent with recent changes in Wisconsin law.</p>	
<p>5. Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S</p>	<p>6. Chapter 20, Stats. Appropriations Affected</p>
<p>7. Fiscal Effect of Implementing the Rule <input checked="" type="checkbox"/> No Fiscal Effect <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Indeterminate <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Could Absorb Within Agency's Budget</p>	
<p>8. The Rule Will Impact the Following (Check All That Apply) <input type="checkbox"/> State's Economy <input type="checkbox"/> Specific Businesses/Sectors <input type="checkbox"/> Local Government Units <input type="checkbox"/> Public Utility Rate Payers <input type="checkbox"/> Small Businesses (if checked, complete Attachment A)</p>	
<p>9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). \$0.00</p>	
<p>10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	
<p>11. Policy Problem Addressed by the Rule The objective of this rule is to make technical updates to existing ETF rules, delete obsolete language in ETF rules, and make other minor substantive changes. The changes include updating the code to be consistent with required minimum distribution provisions of the federal Setting Every Community Up for Retirement Enhancement (SECURE) Act and 2021 Wisconsin Act 245, updating the definition of "guardian" to be consistent with changes in the child guardianship law, removing obsolete sections related to Social Security wage reporting requirements, adding a reference to the Chapter 244 definition of "incapacity" to power of attorney requirements, amending the code to round an annuity applicant's age to the nearest month, rather than the nearest quarter year, for annuity option conversion purposes, correcting outdated cross-references to statutes, and other minor changes.</p>	
<p>12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments. Information, including the proposed rule language, will be made available by posting on the ETF website and the Wisconsin Legislature's website and by submitting the information to the Governor's Office of Regulatory Compliance.</p>	
<p>13. Identify the Local Governmental Units that Participated in the Development of this EIA. None.</p>	
<p>14. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred) No substantive impact is anticipated.</p>	
<p>15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule Implementation of the Rule will update ETF administrative code provisions to be consistent with recent programmatic changes. This will enhance clarity and minimize confusion for the general public and public employers.</p>	

ADMINISTRATIVE RULES

Fiscal Estimate & Economic Impact Analysis

16. Long Range Implications of Implementing the Rule

Implementation will bring the affected ETF rules into compliance with recent programmatic changes, update affected ETF rules to reflect current administrative practices and delete obsolete language from ETF rules.

17. Compare With Approaches Being Used by Federal Government

The required minimum distribution (RMD) provisions of the federal SECURE Act are codified at 26 U.S.C. § 401 (a) (9). It changes the required beginning date for RMDs from age 70½ to age 72. Recently, Congress again amended 26 U.S.C. § 401 (a) (9) to raise the required beginning date for RMDs from age 72 to age 73. The Wisconsin Retirement System is a qualified plan under the federal Internal Revenue Code and must comply with 26 U.S.C. § 401 (a) (9).

18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Periodically, retirement systems in adjacent states promulgate technical rules to update existing administrative rules.

19. Contact Name

Daniel Hayes

20. Contact Phone Number

(608) 266-0222

This document can be made available in alternate formats to individuals with disabilities upon request.

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

ATTACHMENT A

1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

2. Summary of the data sources used to measure the Rule's impact on Small Businesses

3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe:

4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

5. Describe the Rule's Enforcement Provisions

6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes No
-