



State of Wisconsin  
2025 - 2026 LEGISLATURE

LRB-1332/P1

MIM:cjs

DOA:.....Sherwin, BB0267 - Rehired WRS Annuitants

**FOR 2025-2027 BUDGET -- NOT READY FOR INTRODUCTION**

**AN ACT ...; relating to:** the budget.

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*Analysis by the Legislative Reference Bureau*

**RETIREMENT AND GROUP INSURANCE**

***WRS annuitants returning to work***

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 ETF, the annuity must be suspended and no annuity payment is payable until after the participant again terminates covered employment.

This bill removes the requirement that an annuitant who returns to work for a participating employer have his or her annuity suspended and become a participating employee and instead allows an annuitant who returns to work to either 1) elect to suspend his or her annuity and become a participating employee; or 2) elect to continue receiving his or her annuity and not become a participating employee.

Under current law, a WRS participant who has applied to receive a retirement annuity must wait at least 75 days between terminating covered employment with a WRS employer and returning to covered employment again as a participating employee. The bill reduces that period to 30 days.

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 fiscal estimate, which will be printed as an appendix to this bill.

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

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

40.22 (1) Except as otherwise provided in sub. (2) and s. 40.26 (6), each

**BILL****SECTION 1**

employee currently in the service of, and receiving earnings from, a state agency or other participating employer shall be included within the provisions of the Wisconsin retirement system as a participating employee of that state agency or participating employer.

**SECTION 2.** 40.22 (2) (L) of the statutes is amended to read:

40.22 (2) (L) The employee is employed by a participating employer after the person becomes an annuitant, unless the service is after the annuity is suspended by the election of the employee under s. 40.26.

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

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

**SECTION 4.** 40.22 (2r) (intro.) of the statutes is amended to read:

40.22 (2r) (intro.) Except as otherwise provided in s. 40.26 (~~6~~), an employee who was not a participating employee before July 1, 2011, who is not expected to work at least two-thirds of what is considered full-time employment by the department, as determined by rule, and who is not otherwise excluded under sub. (2) from becoming a participating employee shall become a participating employee if

**BILL****SECTION 4**

he or she is subsequently employed by the state agency or other participating employer for either of the following periods:

**SECTION 5.** 40.22 (3) (intro.) of the statutes is amended to read:

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

**SECTION 6.** 40.26 (1) of the statutes is amended to read:

40.26 (1) Except as provided in ~~sub. (1m) and~~ ss. 40.05 (2) (g) 2. and 40.23 (1) (am), if a participant receiving a retirement annuity, or a disability annuitant who has attained his or her normal retirement date, receives earnings that are subject to s. 40.05 (1) or that would be subject to s. 40.05 (1) except for the exclusion specified in s. 40.22 (2) (L), the annuity shall be suspended, including any amount provided by additional contributions, and no annuity payment shall be payable after the month in which the participant files with the department a written election to be included within the provisions of the Wisconsin retirement system as a participating employee.

**SECTION 7.** 40.26 (1m) of the statutes is repealed.

**SECTION 8.** 40.26 (2) (intro.) of the statutes is amended to read:

40.26 (2) (intro.) Upon suspension of an annuity under sub. (1) ~~or (1m)~~, the retirement account of the participant whose annuity is so suspended shall be established on the following basis:

**SECTION 9.** 40.26 (5) (intro.) of the statutes is amended to read:

40.26 (5) (intro.) ~~Except as otherwise provided in sub. (5m),~~ if If a participant

**BILL****SECTION 9**

applies for an annuity or lump sum payment during the period in which less than ~~75~~ 30 days have elapsed between the termination of employment with a participating employer and becoming a participating employee with any participating employer, all of the following shall apply:

**SECTION 10.** 40.26 (5m) of the statutes is repealed.

**SECTION 11.** 40.26 (6) of the statutes is repealed.

**SECTION 12.** 323.19 (3) and (4) of the statutes are repealed.

**SECTION 9113. Nonstatutory provisions; Employee Trust Funds.**

(1) ELECTION TO CONTINUE ANNUITY SUSPENSION. No later than 60 days after the effective date of this subsection, if an individual who is employed by a covered employer under the Wisconsin Retirement System has his or her annuity suspended under s. 40.26 (1m), 2023 stats., on the effective date of this subsection and wants to continue the suspension, the individual shall notify the department of employee trust funds on a form provided by the department. An election to continue the suspension is irrevocable.

**(END)**