



## 1995 ASSEMBLY BILL 198

March 13, 1995 - Introduced by Representative BLACK. Referred to Joint survey committee on Retirement Systems.

1     **AN ACT to amend** 40.73 (1) (a), 40.73 (1) (b) and 40.73 (1) (c); and **to create** 40.73  
2           (1) (am) of the statutes; **relating to:** the amount of a death benefit for  
3           participating employes under the Wisconsin retirement system.

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### *Analysis by the Legislative Reference Bureau*

Under current law, the death benefit for a participant in the Wisconsin retirement system (WRS), other than an annuitant, is generally equal to the sum of the employe additional and employe required contribution accumulations. This bill increases the death benefit for a WRS participant who is a participating employe to an amount equal to the sum of the employe additional contribution and *twice* the employe required contribution accumulations, including any interest credited to the accumulations.

This bill will be referred to the joint survey committee on retirement systems for a detailed analysis, which will be printed as an appendix to this bill.

For further information see the *state and local* 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:***

4           **SECTION 1.** 40.73 (1) (a) of the statutes is amended to read:  
5           40.73 (1) (a) Upon the death of a participant, other than an annuitant or a  
6           participating employe, the sum of the additional and employe required contribution  
7           accumulations credited to the participant's account on the beneficiary annuity

1 effective date or, in the case of a lump sum payment, the first day of the month in  
2 which the death benefit is approved. In addition:

3 1. For teacher participants, other than annuitants or participating employes,  
4 who were members of the state teachers retirement system or the Milwaukee  
5 teachers retirement fund on June 30, 1966, the amount shall be increased by the  
6 employer contribution accumulation credited to the participant's account on or prior  
7 to June 30, 1973, plus interest at the effective rate subsequently credited to the  
8 accumulations.

9 2. For participants, other than annuitants or participating employes, who were  
10 participants of the Wisconsin retirement fund on or prior to December 31, 1965, the  
11 amount shall be increased by the employer contribution accumulation credited to the  
12 participant's account on December 31, 1965, plus interest at the effective rate  
13 subsequently credited to the accumulations.

14 **SECTION 2.** 40.73 (1) (am) of the statutes is created to read:

15 40.73 (1) (am) Upon the death of a participating employe, the sum of the  
16 additional contribution and twice the employe required contribution accumulations  
17 credited, including any interest credited to the accumulations, to the participant's  
18 account on the beneficiary annuity effective date or, in the case of a lump sum  
19 payment, the first day of the month in which the death benefit is approved.

20 **SECTION 3.** 40.73 (1) (b) of the statutes is amended to read:

21 40.73 (1) (b) Upon the death of an annuitant, in addition to any amounts  
22 payable by virtue of the annuity option elected by an annuitant, the amount  
23 determined under par. (a) or (am) for contributions made under s. 40.05 (1)  
24 subsequent to the effective date of the annuity, or additional contributions not

1 applied to provide an annuity, provided the amounts have not been previously paid  
2 out as a lump sum under s. 40.25.

3 **SECTION 4.** 40.73 (1) (c) of the statutes is amended to read:

4 40.73 (1) (c) In lieu of the benefit payable under par. ~~(a)~~ (am) or (b), upon the  
5 death of a participating employe who has attained the age of 60 years, or age 55 if  
6 a protective occupation participant, if the beneficiary to whom a death benefit is  
7 payable is a dependent of the participating employe, or a trust in which such a  
8 beneficiary has a beneficial interest, the present value on the day following the date  
9 of death of the life annuity to the beneficiary which would have been payable if the  
10 participating employe had been eligible to receive a retirement annuity, computed  
11 under s. 40.23 or 40.26, beginning on the date of death and had elected to receive the  
12 annuity in the form of a joint and survivor annuity providing the same amount of  
13 annuity to the surviving beneficiary as the reduced amount payable during the  
14 participant's lifetime. If there is more than one beneficiary the amount of the  
15 annuity and its present value will be determined as if the oldest of the beneficiaries  
16 were the sole beneficiary. If the death benefit payable to the beneficiary under this  
17 paragraph would be less than the amount determined under par. ~~(a)~~ (am) or (b) the  
18 death benefit shall be payable under par. ~~(a)~~ (am) or (b) and this paragraph shall not  
19 be applicable to the beneficiary. An annuitant receiving an annuity only under s.  
20 40.24 (1) (f), which annuity was an immediate annuity, shall be deemed a  
21 participating employe for purposes of this paragraph only, but the amount payable  
22 under s. 40.24 (1) (f) shall not be changed.

23 **(END)**