



State of Wisconsin  
2007 - 2008 LEGISLATURE

LRB-2700/2  
RAC:bjk&jld:rs

## 2007 ASSEMBLY BILL 485

August 14, 2007 - Introduced by Representatives VAN ROY, MONTGOMERY, ALBERS, VOS, BIES and TOWNSEND. Referred to Joint Survey Committee on Retirement Systems.

1     **AN ACT to amend** 40.24 (1) (f) of the statutes; **relating to:** distribution of  
2           accumulated additional contributions under the Wisconsin Retirement  
3           System.

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### *Analysis by the Legislative Reference Bureau*

Currently, participants in the Wisconsin Retirement System (WRS) may make additional contributions for retirement purposes. Additional contributions are invested in the same manner as required contributions and are payable to the participant as an annuity certain payable over a specified number of months, unless the participant opts for a lump sum payment. The number of months over which the annuity is paid may not exceed 180 and may not be less than 24 months.

This bill provides that the number of months over which the annuity is paid under the WRS may not exceed the participant's life expectancy. For the purpose of calculating life expectancy, the bill requires the Department of Employee Trust Funds to use the same tables that the Internal Revenue Service uses for determining minimum required distributions from an individual retirement account.

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.

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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:*

1           **SECTION 1.** 40.24 (1) (f) of the statutes is amended to read:

2           40.24 (1) (f) From accumulated additional contributions made under s. 40.05  
3 (1) (a) 5. only, an annuity certain payable for and terminating after the number of  
4 months specified by the applicant, regardless of whether the applicant dies before or  
5 after the number of months specified, provided that the monthly amount of the  
6 annuity certain is at least equal to the minimum amount established under s. 40.25  
7 (1) (a). ~~Subject to the period of distribution required under s. 40.23 (4) (b) 2., the~~ The  
8 number of months specified shall not exceed ~~180~~ the life expectancy of the participant  
9 and shall not be less than 24 months. For the purpose of determining life expectancy  
10 under this paragraph, the department shall use the same tables that the federal  
11 Internal Revenue Service uses for determining minimum required distributions  
12 from an individual retirement account, as defined in 26 USC 408 (a). If the death of  
13 the annuitant occurs prior to the expiration of the certain period, the remaining  
14 payments shall be made in accordance with s. 40.73 (2) without regard to any other  
15 annuity payments payable to the beneficiary. An annuity under this paragraph may  
16 be initiated prior to any other annuity amount provided under this subchapter and  
17 prior to age 55 if all other qualifications for receiving an annuity payment are met.

18           **SECTION 2. Initial applicability.**

