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State of Misconsin 2009 - 2010 LEGISLATURE

2009 ASSEMBLY BILL 542

November 3, 2009 – Introduced by Representatives FIELDS, BALLWEG, CULLEN, GOTTLIEB, KESTELL, SINICKI, TOLES, ZEPNICK and PASCH, cosponsored by Senators TAYLOR, DARLING, SULLIVAN and COGGS. Referred to Committee on Urban and Local Affairs. Referred to Joint Survey Committee on Retirement Systems.

1 AN ACT to create 62.63 (5) of the statutes; relating to: treatment of abandoned

employee retirement accounts under a retirement system of a 1st class city.

Analysis by the Legislative Reference Bureau

Under the Uniform Unclaimed Property Act, all intangible property held by a governmental subdivision or agency that remains unclaimed for more than a year after it becomes payable or distributable is presumed abandoned. Once intangible property is presumed abandoned, it is subject to the custody of the state as unclaimed property. This bill provides that funds held in employee accounts of a retirement system of a 1st class city, which become abandoned, are not subject to the custody of the state as unclaimed property, but may be retained by the retirement system for purposes of reducing employer funding obligations to the retirement system. (Currently, the only retirement system of a 1st class city is the City of Milwaukee Employes' Retirement System.) The bill specifically authorizes the board of any retirement system of a 1st class city to devise rules and regulations for determining the conditions under which employee retirement accounts are presumed abandoned and for determining the manner in which funds in the abandoned employee retirement accounts may be used to reduce employer funding obligations to the retirement system.

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.

ASSEMBLY BILL 542

For further information see the *local* fiscal estimate, which will be printed as an appendix to this bill.

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

SECTION 1. 62.63 (5) of the statutes is created to read:

 $\mathbf{2}$ 62.63 (5) TREATMENT OF ABANDONED RETIREMENT ACCOUNTS. Funds in employee 3 retirement accounts of a retirement system of a 1st class city, which are presumed 4 abandoned under s. 177.13, are not subject to the custody of the state as unclaimed $\mathbf{5}$ property under ch. 177, but shall be retained by the retirement system and used to 6 reduce employer funding obligations to the retirement system. The board of a 7 retirement system of a 1st class city shall devise rules and regulations for 8 determining the conditions under which employee retirement accounts are 9 presumed abandoned and for determining the manner in which funds in the 10 abandoned employe retirement accounts may be used to reduce employer funding 11 obligations to the retirement system.

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(END)