

State of Misconsin 2011 - 2012 LEGISLATURE



LRB-2747/1 RAC:sbb&wlj:rs

2011 ASSEMBLY BILL 482

January 24, 2012 – Introduced by Representatives BIES and MOLEPSKE JR, cosponsored by Senator TAYLOR. Referred to Joint Survey Committee on Retirement Systems. Referred to Committee on Criminal Justice and Corrections.

1 AN ACT *to amend* 40.05 (1) (b) 1.; and *to create* 40.05 (1) (b) 3. of the statutes; 2 **relating to:** payment of employee required contributions under the Wisconsin 3 Retirement System by certain law enforcement officers.

Analysis by the Legislative Reference Bureau

Currently, under the Wisconsin Retirement System (WRS), general and teacher employees must pay as employee required contributions a percentage of their earnings equal to one-half of the total actuarially required contribution rate to fund all of their WRS benefits. Protective occupation participant employees, which include law enforcement and fire fighting personnel, must pay the same percentage of earnings as general and teacher employees. Current law prohibits the employer from paying, on behalf of the employee, any of the employee required contribution amounts, except that the employer must collectively bargain over this matter for those law enforcement and fire fighting employees who were initially employed by the employer before July 1, 2011.

This bill provides that if a municipal employer employs police officers, and all of the police officers are not in collective bargaining units, the municipal employer must pay the employee required contribution amounts for those police officers who were initially employed by the municipal employer before July 1, 2011.

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 and 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. 40.05 (1) (b) 1. of the statutes, as affected by 2011 Wisconsin Act 32,
 is amended to read:

3 40.05 (1) (b) 1. Except as otherwise provided in a collective bargaining 4 agreement entered into under subch. IV or V of ch. 111 and except as provided in $\mathbf{5}$ subd. subds. 2. and 3., an employer may not pay, on behalf of a participating 6 employee, any of the contributions required by par. (a). The contributions required 7 by par. (a) shall be made by a reduction in salary and, for tax purposes, shall be 8 considered employer contributions under section 414 (h) (2) of the Internal Revenue 9 Code. A participating employee may not elect to have contributions required by par. 10 (a) paid directly to the employee or make a cash or deferred election with respect to 11 the contributions.

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SECTION 2. 40.05 (1) (b) 3. of the statutes is created to read:

40.05 (1) (b) 3. If a municipal employer employs police officers described under
s. 40.02 (48) (am) 9., and all of the police officers are not included in a collective
bargaining unit for which a representative is recognized or certified under subch. IV
of ch. 111, the municipal employer shall pay the contributions required by par. (a) for
all of those police officers who were initially employed by the municipal employer
before July 1, 2011.

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