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# NIK RETTINGER

STATE REPRESENTATIVE • 83<sup>rd</sup> ASSEMBLY DISTRICT

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## TESTIMONY ON ASSEMBLY BILL 671

Assembly Committee on State Affairs

February 7, 2024

Good morning, Chairman Swearingen and other members of the Assembly Committee on State Affairs. I appreciate you holding a Public Hearing today and providing the opportunity to testify on Assembly Bill 671 today. I am proud to have authored this bill with Senator Cory Tomczyk and appreciate the contributions of Representatives Wittke and Tittl in developing the Substitute Amendment language also before you for consideration. This bill seeks to address, in part, the vacancy of critically needed law enforcement positions, as well as meet the educational needs in training up future officers who step-up to serve the communities they love and live in.

It is no secret that there have been increasingly strong opinions on law enforcement officers over the last decade and certainly the last few years which have dramatically impacted public safety and the ability to recruit folks into joining departments. Speaking with the Police Chiefs and Sheriffs across the counties I represent, this lack of new offices has led to numerous lateral moves between departments in a shell game not ever seen before. This, along with retirements, has led to the shortage and vacancy issue hitting a critical mass that should we not address in a meaningful way, will lead to the ability of our communities and neighborhoods to be kept safe to crumble.

To help reverse this trend, we've been working with numerous stakeholders and legislative leaders to bring forward this bill, as well as the substitute amendment, to finally get the ball rolling on solving this crisis. In this updated legislation, we find that we struck an appropriate balancing of the need for experienced law enforcement officers returning to service or to the classroom to pass on their extensive knowledge WHILE maintaining the fiscal solvency of our Wisconsin Retirement System (WRS).

In focusing the scope of the language to just law enforcement officers in the amendment, we can take a critical first step in making these changes and address the group with the greatest need at present. Additionally, it provided an opportunity to bring forward some guiderails based on stakeholder feedback, other legislators who have introduced similar language, and discussions with WRS. For example, we've built in a 60 month, or 5 year, window for the rehired annuitant to take advantage of this new opportunity. Other boundaries currently built in are:

1. The annuitant retired as a law enforcement officer at least one year before being rehired or providing employee services
2. At the time the annuitant initially retires from covered employment with a participating employer law enforcement agency, the annuitant does not have an agreement with any participating employer to return to employment
3. The annuitant is at least 55 years old
4. The annuitant is rehired by a law enforcement agency that is not the one from which the annuitant retired
5. The annuitant elects to not become a participating employee at the time the annuitant is rehired or enters into a contract after retirement.

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Notably, to ensure WRS solvency, employers that hire such annuitants are required to make payments to ETF equal to what the individual would have been required to contribute to WRS as well the employer contribution. Again, the annuitant who retires as a police officer or sheriff's deputy and then returns to work must elect to not become a participating employee for purposes of the WRS, and instead continue to receive his or her annuity.

While I recognize this may not be everyone's perfect solution to addressing these challenges, I strongly believe that this is a critical step forward in a proposal that has been debated for several legislative sessions without much progress. In the meantime, former law enforcement officers continue to take jobs in the private sector and their experience is subsequently lost forever. We believe that, with the criteria laid out in this substitute amendment, we can give law enforcement agencies the tools they need to fill critical vacancies while also working to train up the next wave of recruits to serve and protect Wisconsin's communities.

Thank you again, Mr. Chairman, for holding this hearing today and I ask for the committee's support in passage of AB 671 and Substitute Amendment 1.



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**Remarks to the Assembly Committee on State Affairs**

**2023 Assembly Bill 671**

**Tarna Hunter, Budget and Management Director, Department of Employee Trust Funds**

**February 7, 2024**

ETF is the state agency that administers the Wisconsin Retirement System (WRS) and several other fringe benefit programs for state and local government, university, and school district employees across Wisconsin. ETF is a non-cabinet agency. We do retirement estimates and calculations, member counseling, education presentations, and all accounting and actuarial work. Our sister agency, the State of Wisconsin Investment Board, is responsible for investing the assets of the WRS.

ETF administers the WRS on behalf of over 1500 public employers, who have a diverse range of workforce needs and employment practices. The WRS has over 660,000 total members; of which approximately 227,000 are retirees and 259,000 are active employees. The vast majority of active employees work for local units of government and school districts around the state.

The topic of rehired annuitants is important for the WRS, both in terms of practice and perception. In 2012, the Legislative Audit Bureau completed an audit of WRS annuitants hired by WRS employers. Following the audit, 2013 Act 20 made statutory changes to WRS return-to-work laws, including increasing the break-in-service from 30 days to 75 days and requiring annuity suspension if a retiree works over two-thirds of full-time in a 12-month period. To properly administer these laws, ETF has invested additional resources to enhance our employer compliance and education efforts. We have revised the WRS Administration Manual, issued new Employer Bulletins, and developed training materials, including print and video. We put in place new systems to track rehired annuitants to ensure compliance with the law and gather more complete data on the rehiring of annuitants.

Since 2013 Act 20, every legislative session has included proposals to change the return-to-work laws (to both the break in service requirement and the annuity suspension requirement). Further, there has been bills that have individually targeted return-to-work laws for teachers, protectives, and law enforcement officers. There have also been proposals to apply changes to all employment categories uniformly.

When evaluating any change to the WRS, ETF begins its assessment by asking the following questions:

- Is the change inconsistent with state and federal laws?
- Will the change diminish the sustainability and integrity of the trust fund?
- Does it add unnecessary complexity?

- Will it diminish the administrative efficiency for ETF, employers, or members?

If the answer to any of these questions is yes, we try to identify alternative approaches to the issue.

AB 671 allows an annuitant who was a protective occupation participant to return to work with an employer who participates in the WRS, work two-thirds of full-time, and elect to not become a participating employee for purposes of the WRS, and instead continue to receive their annuity.

The Assembly Substitute Amendment 1 to AB 671 provides that a participant who is a retired "law enforcement officer" can choose to not suspend their annuity if the participant terminated from a law enforcement agency after July 2, 2013, the participant returns to work at a different law enforcement agency than the one from which they retire, the participant is 55 years old, and the participant completes a one-year separation from service.

The substitute amendment seems to add unnecessary complexity to the law, including:

- The substitute amendment defines a "law enforcement officer" as any person employed by the state or any political subdivision of the state, for the purpose of detecting and preventing crime and enforcing laws or ordinances and who is authorized to make arrests for violations of the laws or ordinances that the person is employed and sworn to enforce, including university police officers. The WRS does not use the definition of "law enforcement officer" and does not track or get information from the employing entity down to the position type. Rather, the WRS uses the category of protective occupation participants and is able to track those participants. Similarly, "law enforcement agency" is not a definition we use for employers, and we are unable to track them in our systems.
- The substitute amendment carves out a group of participants that have different rules (different break-in-service requirements, requiring the retiree to be 55 years old before they can return-to-work, and requiring the retiree to return to a different law enforcement agency). This will increase the difficulty of administrative responsibilities on ETF and participating employers, may make employer and employee compliance more complex, and may make it more difficult to ensure participants have a bona fide separation from service as required by federal law.

We understand the practice of rehiring annuitants is an important tool for most of the employers who engage in the practice, allowing them to fill a position for a relatively short term until a permanent replacement can be found. With that in mind, we are ready to assist if you are interested in considering alternative approaches that could reduce unnecessary complexity and ensure we are complying with the law.



To: Members, Assembly Committee on Judiciary and Public Safety  
From: Badger State Sheriffs' Association (BSSA)  
Wisconsin Sheriffs and Deputy Sheriffs Association (WS&DSA)  
Date: February 7, 2024  
**RE: Testimony in Support of Assembly Bill 671**

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The Badger State Sheriffs' Association and Wisconsin Sheriffs and Deputy Sheriffs Association respectfully submit our support for AB 671. This bill will allow retired law enforcement officers the ability to return to duty, with no restrictions on their ability to continue to collect their hard-earned pension.

Our organizations have been advocating for this policy change for many legislative sessions and appreciate the opportunity for a public hearing to be held on this issue. Law enforcement's ability to ensure we have qualified officers is imperative to maintaining public safety. While many of us look to deploy different recruitment and retention policies, there are still ongoing vacancies plaguing county Sheriff Offices across the state.

Assembly Substitute Amendment 1, which has been introduced by the authors, still allows for law enforcement agencies to hire retired officers, but with additional restrictions. Several of these new restrictions in the Substitute Amendment are problematic and run counter to the goals of this policy change to provide relief to recruit new officers. Specifically, one issue is the limitation of only being able to rehire retired officers over 55 years old. Currently, law enforcement in Wisconsin can retire at 50 and most can retire at 53 ½ without a penalty. There is not a clear reason to why 55 years old is included in the substitute amendment and choosing that age minimum could reduce the pool of eligible retirees.

In addition, the other issue in the substitute amendment is the restriction that the retired officer can't return to their agency from which they retired from. Most agencies are looking for support for court transport and security, Chapter 51 transports and security while waiting for medical clearance in the ER, civil process, and bailiff support. Utilizing a retired officer from that agency in these capacities will provide exactly the time of staffing support needed right now in our communities. We'd ask for lawmakers to concern the full impact of the limitations included in the substitute amendment.

Regardless, our organizations support this bill as it is due time for Wisconsin to fix this issue and help our local communities with the public safety staffing gaps.

*The Badger State Sheriffs' Association represents all of Wisconsin's 72 elected county sheriffs. The Wisconsin Sheriffs and Deputy Sheriffs Association is a professional organization representing over 1,000 members, including sheriffs, deputies, and jail officers. Our organizations have a joint legislative committee and work closely on public safety issues of concern to our members.*