



State of Wisconsin
2015 – 2016 LEGISLATURE

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**SENATE AMENDMENT 21,
TO SENATE SUBSTITUTE AMENDMENT 1,
TO SENATE BILL 21**

July 7, 2015 – Offered by Senators HANSEN, ERPENBACH, L. TAYLOR, RINGHAND,
HARRIS DODD and SHILLING.

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** At the appropriate places, insert all of the following:

3 “**SECTION 1.** 15.07 (1) (a) 6. of the statutes is created to read:

4 15.07 (1) (a) 6. The members of the Wisconsin private retirement security board
5 shall be appointed as provided in s. 15.165 (5).

6 **SECTION 2.** 15.165 (5) of the statutes is created to read:

7 15.165 (5) WISCONSIN PRIVATE RETIREMENT SECURITY BOARD. (a) There is created
8 in the department of employee trust funds a Wisconsin private retirement security
9 board consisting of the following members appointed for 5–year terms:

10 1. One member appointed by the employee trust funds board.

11 2. One member appointed by the investment board.

1 3. One member appointed by the agricultural education and workforce
2 development council.

3 4. One member appointed by the Wisconsin Women's Business Initiative
4 Corporation.

5 5. One member appointed by the senate majority leader.

6 6. One member appointed by the senate minority leader.

7 7. One member appointed by the speaker of the assembly.

8 8. One member appointed by the assembly minority leader.

9 9. One member appointed by the governor.

10 (b) Not less than 5 of the members appointed under par. (a) shall have at least
11 10 years of experience in making investments, but any person having a financial
12 interest in, or whose employer is primarily a dealer or broker in, securities or
13 mortgage or real estate investments is not eligible for appointment, and any member
14 who acquires such an interest or accepts such appointment shall thereupon vacate
15 his or her membership.

16 **SECTION 3.** 20.515 (1) (k) of the statutes is created to read:

17 20.515 (1) (k) *Assistance to Wisconsin private retirement security board.* All
18 moneys transferred from the appropriation account under sub. (2) (a) for the
19 activities of the department under s. 40.99 (3).

20 **SECTION 4.** 20.515 (2) of the statutes is created to read:

21 20.515 (2) PRIVATE RETIREMENT SECURITY PLAN. (a) *Initial costs.* A sum sufficient
22 to be transferred to the Wisconsin private retirement security plan administration
23 trust fund under s. 25.52 and expended for the activities of the Wisconsin private
24 retirement security board under s. 40.99 (2) (a) to (c) and for the initial establishment
25 and administration of the Wisconsin private retirement security plan under s. 40.99

(2) (d) and to be transferred to the appropriation account under sub. (1) (k) and expended for the activities of the department under s. 40.99 (3).

(q) *Administrative expenses; Wisconsin private retirement security plan administration trust fund.* From the Wisconsin private retirement security plan administration trust fund, all moneys transferred to that fund under par. (a) for the activities of the Wisconsin private retirement security board under s. 40.99 (2) (a) to (c) and for the initial establishment and administration of the Wisconsin private retirement security plan under s. 40.99 (2) (d), and all moneys deposited in that fund under s. 40.99 (4) (b) for the administrative costs of the plan, for the investment costs of accounts under that plan, and for repayment of the amounts appropriated under par. (a).

SECTION 5. 25.17 (1) (yu) of the statutes is created to read:

25.17 (1) (yu) Wisconsin private retirement security plan administration trust fund (s. 25.52), but subject to sub. (2) (fm).

SECTION 6. 25.17 (2) (fm) of the statutes is created to read:

25.17 (2) (fm) Invest the moneys belonging to the Wisconsin private retirement security plan administration trust fund and the moneys contributed to accounts established under that plan in any manner that does not violate the standard of responsibility under s. 25.15 (2).

SECTION 7. 25.52 of the statutes is created to read:

25.52 Wisconsin private retirement security plan administration trust fund. There is established a separate nonlapsible trust fund designated as the Wisconsin private retirement security plan administration trust fund, to consist of all moneys transferred to that fund under s. 20.515 (2) (a) and all moneys deposited in that fund under s. 40.99 (4) (b).

1 **SECTION 8.** Chapter 40 (title) of the statutes is amended to read:

2 **CHAPTER 40**

3 **PUBLIC EMPLOYEE TRUST FUND**

4 **AND PRIVATE RETIREMENT**

5 **SECURITY PLAN**

6 **SECTION 9.** Subchapter X of chapter 40 [precedes 40.99] of the statutes is
7 created to read:

8 **CHAPTER 40**

9 **SUBCHAPTER X**

10 **PRIVATE RETIREMENT SECURITY PLAN**

11 **40.99 Private retirement security plan. (1) DEFINITIONS.** In this section:

12 (a) “Board” means the Wisconsin private retirement security board.

13 (b) “Fund” means the Wisconsin private retirement security plan
14 administration trust fund under s. 25.52.

15 (c) “Plan” means the private retirement security plan established under this
16 section.

17 **(2) DUTIES OF BOARD.** The board shall:

18 (a) *Feasibility study.* Conduct a study to determine the feasibility of
19 establishing a private retirement security plan to provide retirement benefits for
20 residents of this state who choose to participate in the plan. The feasibility study
21 shall estimate the potential population that is likely to choose to participate in the
22 plan and the potential cost of implementing the plan and shall recommend a design
23 and structure for the plan that is most reasonable in light of that potential population
24 and cost. In conducting the feasibility study, the board may contract with actuarial

1 consultants and any other person whose services are necessary for the board to
2 conduct the feasibility study.

3 (b) *Public hearings.* Hold public hearings to receive testimony relating to the
4 feasibility study conducted, and the design and structure recommended, under par.

5 (a). The board shall hold not less than 5 public hearings under this paragraph and
6 shall hold those hearings over a period of not more than 3 months. The board may
7 hold no more than one public hearing under this paragraph in Madison and shall
8 ensure that at one least one public hearing under this paragraph is held in each
9 geographic area of the state, including the southeastern part of the state, the western
10 part of the state, the northern part of the state, and the northeastern part of the state.

11 (c) *Design of plan.* Based on the feasibility study conducted, and the design and
12 structure recommended, under par. (a) and the testimony received under par. (b),
13 design a private retirement security plan to provide retirement benefits for residents
14 of this state who choose to participate in the plan. The Wisconsin private retirement
15 security board shall design the plan so that, to the greatest extent possible, the
16 design and structure of the plan are reasonably commensurate with the design and
17 structure of the Wisconsin Retirement System. In designing the plan, the Wisconsin
18 private retirement security board shall provide for the investment board to assist the
19 Wisconsin private retirement security board in managing and investing the assets
20 of the fund and the assets of the accounts of participants in the plan and shall provide
21 for the employee trust funds board to assist the Wisconsin private retirement
22 security board in administering the plan. In designing the plan, the Wisconsin
23 private retirement security board may contract with actuarial consultants and any
24 other person whose services are necessary for the Wisconsin private retirement
25 security board to design the plan.

1 (d) *Implementation of plan.* By no later than the first day of the 18th month
2 beginning after the effective date of this paragraph [LRB inserts date], submit a
3 report to the legislature under s. 13.172 (2), the governor, and the members of the
4 joint committee on finance summarizing the conclusions of the feasibility study
5 conducted under par. (a), the testimony received at the public hearings held under
6 par. (b), and the design of the plan under par. (c). The report shall also include an
7 estimate of the cost of initial establishment and administration of the plan, an
8 estimate of the amount of time necessary to make the plan viable, and a
9 recommendation for any legislation that is necessary to implement the plan. On
10 enactment of that legislation, the board shall implement the plan in accordance with
11 that legislation.

12 **(3) DUTIES OF DEPARTMENT.** (a) *Assistance to board.* From the appropriation
13 account under s. 20.515 (1) (k), the department shall be reimbursed for all of its costs
14 incurred in establishing the board and plan and for providing staff and other
15 resources to assist the board in the performance of the board's duties under sub. (2).
16 The department may not expend any moneys from the public employee trust fund
17 for its activities under this subsection.

18 (b) *Funding of initial costs.* The department shall submit an estimate to the
19 joint committee on finance of the initial cost of establishing the board, conducting the
20 feasibility study under sub. (2) (a), holding the public hearings under sub. (2) (b),
21 designing the plan under sub. (2) (c), and preparing and submitting the report under
22 sub. (2) (d). The joint committee on finance shall, from the appropriation under s.
23 20.865 (4) (a), supplement the appropriation under s. 20.515 (2) (a) in an amount
24 equal to the estimated amount.

1 (4) REPAYMENT OF GENERAL FUND. (a) The board may charge reasonable fees to
2 participants in the plan to cover the costs of administering the plan, to recover the
3 investment costs of the accounts of those participants, and to repay the general fund
4 for amounts transferred to the fund under s. 20.515 (2) (a) as provided in par. (b).

5 (b) A fee collected under par. (a) shall be deposited in the Wisconsin private
6 retirement security plan administration trust fund and credited to the appropriation
7 account under s. 20.515 (2) (q). From that appropriation, the board shall transfer to
8 the general fund an amount equal to the amount expended from the appropriation
9 under s. 20.515 (2) (a) when the board determines that the balance in the fund is
10 sufficient to make the transfer. The board may transfer that amount in installments.

11 (c) Annually, by June 1, the board shall submit a report to the joint committee
12 on finance on the amounts available for transfer under par. (b), the amounts
13 previously transferred under par. (b), and the outstanding balance that remains to
14 be transferred under par. (b).

15 **SECTION 9112. Nonstatutory provisions; Employee Trust Funds.**

16 (1) WISCONSIN PRIVATE RETIREMENT SECURITY BOARD; INITIAL TERMS.
17 Notwithstanding the length of terms for the members of the Wisconsin private
18 retirement security board specified in section 15.165 (5) (a) of the statutes, as created
19 by this act, the initial terms of the members appointed under section 15.165 (5) (a)
20 3. and 4. of the statutes, as created by this act, shall expire on May 1, 2019, the initial
21 terms of the members appointed under section 15.165 (5) (a) 5. and 6. of the statutes,
22 as created by this act, shall expire on May 1, 2018, the initial terms of the members
23 appointed under section 15.165 (5) (a) 7. and 8. of the statutes, as created by this act,
24 shall expire on May 1, 2017, and the initial term of the member appointed under

1 section 15.165 (5) (a) 9. of the statutes, as created by this act, shall expire on May 1,
2 2016.”.

3 **2.** Page 930, line 18: delete the material beginning with that line and ending
4 with page 931, line 8.

5 **3.** Page 933, line 19: delete the material beginning with that line and ending
6 with page 934, line 9.

7 **4.** Page 935, line 1: delete the material beginning with that line and ending
8 with page 936, line 2.

9 **5.** Page 1557, line 5: delete lines 5 to 7.

10 (END)