

## Side-by-Side Comparison of Selected Statutory Powers & Duties of the ETF Board and the DETF Secretary

ETF Board		Secretary of DETF
<b>1. Principal Duties.</b>		
	<p>Direct and supervise Department of Employee Trust Funds. The powers and duties of the board shall be regulatory, advisory and policy-making, and not administrative. <i>Wis. STAT. §§15.05 (1) (b) and 15.16 (intro.)</i></p>	<p>Shall be in charge of the administration of the DETF and plan, direct, coordinate and execute the functions vested in the Department. Is vested with all the administrative powers and duties of the department, to be administered under the direction of the board. <i>Wis. STAT. §§ 15.04 (1)(a), 15.05 (1)(b) and 40.03 (2 (a))</i></p> <p>Has all other powers necessary to carry out the purposes and provisions of ch. 40, except as otherwise specifically provided by that chapter. <i>Wis. STAT. § 40. 03 (2) (m)</i></p>
<b>2. Equity Powers.</b>		
<i>Adjust computation of benefits</i>	<p>May adjust the computation of death benefits and annuities (except disability annuities) as provided by ch. 40, as necessary to prevent inequity resulting from one of the following:</p> <ul style="list-style-type: none"> <li>• A combination of full- and part-time service.</li> <li>• A change in annual earning period during the three highest years of earnings.</li> <li>• Previous receipt of an annuity which was terminated.</li> </ul> <p style="text-align: right;"><i>Wis. STAT. § 40.03 (1) (a)</i></p>	
<i>Correct administrative errors</i>		<p>May order correction of an error to prevent inequity if Secretary determines that an error in administration by DETF was principal cause of an otherwise eligible participant unintentionally forfeiting or otherwise involuntarily ceasing to be eligible for a ch. 40 benefit. <i>Decision must be reported to the Board but is not subject to review.</i> <i>Wis. STAT. § 40.03 (2) (w)</i></p>
<i>Create employee</i>		DETF may determine subcategories within the four

<b>ETF Board</b>		<b>Secretary of DETF</b>
<i>subcategories</i>		statutory employee occupational categories as necessary for equity among employers regarding current service contribution rates. <i>WIS. STAT. § 40.05 (2) (a)</i>
<i>Value employee "roll-in" contributions</i>		May, by rule, modify the accounting and valuation bases and the investment earnings distribution procedures of the Wisconsin Retirement Systems (WRS) as necessary to achieve equity among the various types of payments and contributions to, and payments from, the WRS. <i>WIS. STAT. § 40.03 (2) (r)</i>
<i>Value investments made in Trust Fund</i>		May, by rule, modify the accounting and valuation bases and the investment earnings distribution procedures of the WRS as necessary to achieve equity among the various retirement systems investing in the Trust Fund. <i>WIS. STAT. § 40.03 (2) (q)</i>
<b>3. Agency Budget.</b>		
<i>Budget development &amp; approval</i>	Must meet no later than August 31 of each even-numbered year to consider and approve a proposed budget of the department for the succeeding fiscal biennium. <i>WIS. STAT. § 15.07 (3) (a)</i>	Compile, biennially, a comprehensive program budget reflecting all fiscal matters related to the department's operation and each program, subprogram and activity. <i>WIS. STAT. § 15.04 (1) (b)</i> Must estimate both the administrative costs to be incurred by the DETF in each fiscal year and the investment income which will be credited to administrative account during the fiscal year. Must equitably allocate the estimated administrative costs minus the estimated investment income to the ch. 40 benefit plans. <i>WIS. STAT. § 40.04 (2) (c)</i>
<i>Required expense</i>		Must reimburse the Legislative Audit Bureau for the cost of the annual and 5-year audits required to be performed by statute. <i>WIS. STAT. § 40.03 (2) (s)</i>
<b>4. Personnel Authority.</b>		

	<b>ETF Board</b>	<b>Secretary of DETF</b>
<i>General hiring authority</i>	May employ or select medical, legal and other independent contractors as are required for the administration of the Public Employee Trust Funds. Wis. STAT. § 40.03 (1) (c)	Must employ and select administrative, clerical or other employees as required for the administration of ch. 40. Wis. STAT. § 40.03 (2) (b)
<i>Specific executives</i>	Must appoint a DETF Secretary to serve at the pleasure of the board (outside the classified service). Wis. STAT. §§ 15.05 (1) (a) and 40.03 (1) (c)	May appoint a deputy, serving at the pleasure of the Secretary (outside the classified service). <i>Requires authorization of the position under Wis. STAT. § 16.505.</i> Wis. STAT. § 15.04 (2) and (3)  May appoint an executive assistant to serve at the Secretary's pleasure (outside the classified service) and perform duties as the secretary prescribes. Wis. STAT. § 15.05 (3)  May appoint a director, under the classified service, for each district or area office. Wis. STAT. § 15.05 (3m)
<i>Actuary</i>	Must select and retain actuary (or firm), under one or more contracts, to perform actuarial services necessary to the operation and control of each of the insurance and benefit programs under ch. 40. This duty includes determining necessary qualifications and requirements, the terms, conditions and duration of each agreement, and the selection procedure. Wis. STAT. § 40.03 (1) (d)	Must sign any contractual agreement with an actuary, as directed by the ETF Board. Wis. STAT. § 40.03 (1) (d) 4.
<i>Employee bonds</i>		May require that any officer or employee of the Department give an official bond under ch. 19. <i>Requires agreement of DOA Secretary.</i> Wis. STAT. § 15.04 (1) (f)

## 5. Rates & Actuarial Assumptions

	ETF Board	Secretary of DETF
<i>Adjust assumed rate</i>	May set “assumed rate” different from 8%. <i>Requires recommendation by actuary.</i> Wis. STAT. § 40.02 (7)	DETF may adjust the unfunded prior service liability balance of the WRS and of each employer that makes prior service (“UAAL”) contributions to reflect changes in the assumed rate assumption or other factors specified by the actuary. <i>Requires recommendation by the actuary and consent of the Board or other statutory authority.</i> Wis. STAT. § 40.05 (2) (cm)
<i>Set salary assumption</i>	May set actuarial assumption for across-the-board salary increased different from 3.4% less than the assumed rate. <i>Requires recommendation by actuary.</i> Wis. STAT. § 40.02 (7)	DETF may adjust the unfunded prior service liability balance of the WRS and of each employer that makes prior service (“UAAL”) contributions to reflect changes in the across-the-board salary increase assumption or other factors specified by the actuary. <i>Requires recommendation by the actuary and consent of the Board or other statutory authority.</i> Wis. STAT. § 40.05 (2) (cm)
<i>Set effective rates</i>		Must determine the effective rate for each calendar year. Wis. STAT. § 40.03 (2) (L)
<i>Contribution rates, generally</i>	Must approve the contribution rates (but not premiums) set by the actuary for the associated benefit plans. Wis. STAT. § 40.03 (1) (e) and (5)(c)	
<i>— Current service</i>	May approve employer contribution rate (determined by the actuary) for current service, with separate rates for each for the four statutory employee occupational categories plus any subcategories identified by the DETF. <i>Requires use of assumptions recommended by actuary.</i> Wis. STAT. § 40.05 (2) (a)	DETF may determine subcategories within each occupational category as necessary for equity among employers. Wis. STAT. § 40.05 (2) (a)
<i>— Rate increases</i>	Must split any post-1989 increase or decrease in required contribution rates, not related to 1989 Wis. Act 13, between employer and employee rates	

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	<p>equally. Employer rate adjustments will be to the required contribution rates for current and prior service. Employee adjustments will be first to the surcharge on required employee contribution rates called the Benefit Adjustment Contribution (BAC)<sup>1</sup> and, if the BAC decreases to zero, then to the employee required contribution rates. <i>Requires advice of actuary.</i></p> <p style="text-align: right;"><i>Wis. STAT. § 40.05 (2n)</i></p>	
<i>-- Duty disability</i>	<p>Determine the appropriate experience rates to apply in the actuary's determination of the employer contribution rate for the duty disability benefit program. <i>Requires advice of actuary.</i></p> <p style="text-align: right;"><i>Wis. STAT. § 40.05 (2) (ar)</i></p>	
<i>--Sick leave credits, basic</i>	<p>Must each year determine the contribution rate for the present value of present and future accumulated sick leave conversion credit benefits. May not increase the employer's costs for the previous calendar year by more than 0.2% of covered payroll.</p> <p><i>Requires certification by actuary.</i></p> <p style="text-align: right;"><i>Wis. STAT. § 40.05 (4) (br)</i></p>	
<i>-- Sick leave credits, supplemental</i>	<p>Must each year determine the contribution rate for the present value of present and future supplemental health insurance conversion credit benefits, excluding benefits to laid-off state employees. <i>Requires certification by actuary.</i></p> <p style="text-align: right;"><i>Wis. STAT. § 40.05 (4) (by)</i></p>	
<i>-- Employer's UAAL rate</i>		<p>May change an employer's unfunded prior service liability contribution rate during the calendar year to reflect the reduced obligation resulting from the</p>

<sup>1</sup> Wis. STAT. § 40.05 (2m) created the Benefit Adjustment Contribution, a 1% surcharge on employee contribution rates for general category employees and protective occupation participants covered by Social Security. The ETF Board has interpreted Wis. STAT. § 40.05 (2m) and (2n) to grant implied authority to also both surcharge and reduce the employee required contribution rates for the other two categories of employment, i.e., (1) protective occupation participants without Social Security and (2) executives and elected officials.

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		<p>employer's advance payment of contributions.  <i>Requires acting upon a written certification from the actuary.</i>  <i>Wis. STAT. § 40.05 (2) (c)</i></p>
<i>Actuarial assumptions</i>	<p>Must approve the actuarial assumptions determined by the actuary to be used for computing employer contribution rates, the assumed rate and the unisex tables to be used for computing annuities and benefits.  <i>Wis. STAT. § 40.03 (1) (e) and (5)(b)</i></p>	
6. Administrative Rule-making.		
<i>Proposed rule approval</i>	<p>Must approve or reject all administrative rules proposed by the DETF Secretary as required for the efficient administration of the Public Employee Trust Fund or any of the ch. 40 benefit plans. <i>Duty does not extend to group insurance or deferred compensation rules.</i>  <i>Wis. STAT. § 40.03 (1) (m)</i></p>	<p>Must promulgate all rules that are required for efficient administration of the fund or of any of the benefit plans established by this chapter. <i>Requires ETF Board approval, unless rule is for group insurance or deferred compensation.</i>  <i>Wis. STAT. §§ 15.05 (1) (b) and 40.03 (2) (l)</i></p>
<i>"Roll-in" rule</i>		<p>Must promulgate rules concerning the "roll-in" of funds into the WRS. Has power to regulate the timing, and valuation of such lump-sum "roll-ins" as well as the distribution of investment earnings on such funds. Power extends to modifying the accounting and valuation bases and the investment earnings distribution procedures of the WRS to the extent necessary to achieve equity among the various types of payments and contributions to, and payments from, the WRS.  <i>Wis. STAT. § 40. 03 (2) (r)</i></p>

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<i>Fixed annuity dividend</i>		DETF may promulgate rules concerning fixed division annuity “dividends” without approval of the Teachers or Wisconsin Retirement Board. WIS. STAT. § 40.27 (2) (h)
<i>Fixed annuity surplus distribution</i>		May write rule setting different threshold for fixed division annuity surplus distribution, other than statutory standard 0.5% of annuities in force. WIS. STAT. § 40.27 (2) (intro.)
<i>Fixed annuity dividend revocation</i>		DETF may write rule setting a different deficit threshold for revoking previously granted fixed annuity dividends, instead of a deficit resulting in a 0.5% or more reduction of annuities in force. WIS. STAT. § 40.27 (2) (c)
<i>Faculty sick leave conversion</i>		May, by rule, limit the number of sick leave days that may be converted to credits to pay health insurance, but the number of days allowed must be in proportion to the number of weeks per year the faculty or staff is appointed to work. <b>Authority applies with respect only to faculty and academic staff appointed to work less than 39 weeks per year.</b> WIS. STAT. § 40.05 (4) (bp) 1.
<i>Intrastate retirement reciprocity</i>		May promulgate rules affecting the Milwaukee City or Milwaukee County retirement systems for the purpose of carrying out the purposes of WIS. STAT. § 40.30 concerning intrastate retirement reciprocity. WIS. STAT. § 40.30 (6)
<b>7. Federal Tax Code Compliance.</b>		
	Must ensure the WRS complies with the Internal Revenue Code (IRC) as a qualified plan for income tax purposes and that each benefit plan is administered consistent with all IRC provisions that authorize and regulate that benefit plan. WIS. STAT. § 40.03 (1) (am)	Must ensure the WRS complies with the Internal Revenue Code (IRC) as a qualified plan for income tax purposes and that each benefit plan is administered in a manner consistent with all IRC provisions that authorize and regulate that benefit plan. WIS. STAT. § 40.03 (2) (t)

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<b>8. Board Governance.</b>		
<i>Necessary majority to act</i>	May adopt a more restrictive provision, but otherwise a majority of a quorum may act in any matter within the jurisdiction of the board. <sup>2</sup> <i>Wis. STAT. § 15.07 (4)</i>	
<i>Delegation of authority</i>	May delegate powers and duties as deemed necessary or desirable. <i>Wis. STAT. § 40.03 (1) (L)</i>	Has any additional powers and duties delegated to Secretary by the Board. <i>Wis. STAT. § 40.03 (2) (n)</i>  May delegate to other departmental employees any power or duty of the Secretary. <i>Wis. STAT. § 40.03 (2) (f)</i>
<i>Required meetings</i>	Must meet quarterly and also at the call of the chairperson or a majority of members. <i>Wis. STAT. § 15.07 (3) (a)</i>	
<i>Budget approval</i>	Must meet no later than August 31 of each even-numbered year to consider and approve a proposed budget of the department for the succeeding fiscal biennium. <i>Wis. STAT. § 15.07 (3) (a)</i>	
<i>Board officers</i>	Must, at first meeting in each year, elect a chairperson, vice chairperson and secretary. <i>Wis. STAT. § 15.07 (2) (intro.)</i>	
<i>Election of annuitant member</i>		Must establish procedure for and conduct the election of the annuitant member of the ETF Board (as well as the 9 elected members of Teacher Retirement Board). <i>Wis. STAT. § 40.03 (2) (p)</i>

<sup>2</sup> The ETF Board has 13 seats, meaning that (regardless of any vacancies) at least 7 members must be present to have the necessary quorum to hold a meeting. Unless the Board adopts a provision to the contrary, a majority of a quorum (as few as 4 votes) is sufficient to authorize Board action.

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<b>9. Information-Gathering Powers.</b>		
<i>Subpoena witnesses</i>	May compel witnesses to attend meetings and to testify upon any necessary matter concerning the fund. <i>Wis. STAT. § 40.03 (1) (f)</i>	
<i>Request any information</i>		May request any information from any participating employee or participating employer as is necessary for the proper operation of the fund. <i>Wis. STAT. § 40.03 (2) (h)</i>
<i>Require Social Security information</i>		May require a person to provide DETF with a certified earnings record, or benefit amount, from the Social Security Administration as a condition for receiving benefits under ch. 40. <i>Wis. STAT. § 40.03 (2) (k)</i>
<i>Require spousal information</i>		May require, in order to administer the requirements for spousal consent to an annuity option choice, a participant to provide certification of: <ul style="list-style-type: none"> <li>• The participant's marital status.</li> <li>• The validity of the spouse's signature.</li> </ul> <i>Wis. STAT. § 40.24 (7) (b)</i>
<b>10. Statutory Immunity.</b>		
<i>QDROs &amp; withholding for state taxes or support arrearages</i>	Board is immune from civil liability for any act or omission under a WRS qualified domestic relations order (QDRO), a deferred compensation domestic relations order or while performing official duties relating to withholding state tax liability from any annuity payment, withholding support from any annuity payment or child support arrearages from a lump-sum separation or in lieu of a retirement annuity. <i>Wis. STAT. §§ 40.08 (1), (1c), (1g), (1m) (i) and 40.80 (2r)</i>	DETF and any employee or agent are immune from civil liability for any act or omission under a WRS qualified domestic relations order, a deferred compensation domestic relations order or while performing official duties relating to withholding state tax liability from any annuity payment, withholding support from any annuity payment or child support arrearages from a lump-sum separation or in lieu of a retirement annuity. <i>Wis. STAT. §§ 40.08 (1), (1c), (1g), (1m) (i) &amp; 40.80 (2r)</i>

	<b>ETF Board</b>	<b>Secretary of DETF</b>
<i>Money retained or paid out</i>	<p>The Board is free from any liability for any money retained or paid in accordance with § 40.08, which includes:</p> <ul style="list-style-type: none"> <li>• Withholdings for support, tax delinquency, and child support arrearages.</li> <li>• Recouping payments made by mistake or in error or because of fraud.</li> <li>• Insurance premium deductions from annuities.</li> <li>• Recovery of certain losses attributed to employer error.</li> <li>• Refunds.</li> <li>• Lapsing abandoned accounts into the employer accumulation reserve.</li> <li>• Benefit payments to minors and incompetents.</li> <li>• Limitations on corrective payments.</li> <li>• Roll-overs of employee additional contributions.</li> </ul> <p style="text-align: right;"><i>Wis. STAT. § 40.08 (11)</i></p>	<p>The DETF and its employees are free from any liability for any money retained or paid in accordance with § 40.08, which includes:</p> <ul style="list-style-type: none"> <li>• Withholdings for support, tax delinquency, and child support arrearages.</li> <li>• Recouping payments made by mistake or in error or because of fraud.</li> <li>• Insurance premium deductions from annuities.</li> <li>• Recovery of certain losses attributed to employer error.</li> <li>• Refunds.</li> <li>• Lapsing abandoned accounts into the employer accumulation reserve.</li> <li>• Benefit payments to minors and incompetents.</li> <li>• Limitations on corrective payments.</li> <li>• Roll-overs of employee additional contributions.</li> </ul> <p style="text-align: right;"><i>Wis. STAT. § 40.08 (11)</i></p>
<i>Damages limited</i>	<p>Amount recoverable for damages in any civil action against a state officer, employee or agent is limited to \$250,000. No award for punitive damages is allowed.</p> <p style="text-align: right;"><i>Wis. STAT. § 893.82 (6)</i></p>	<p>Amount recoverable for damages in any civil action against a state officer, employee or agent is limited to \$250,000. No award for punitive damages is allowed.</p> <p style="text-align: right;"><i>Wis. STAT. § 893.82 (6)</i></p>
<i>Indemnification</i>	<p>State pays damages and costs awarded against public officer or employee sued in official capacity for acts committed while carrying out official duties, provided defendant acted within scope of employment.</p> <p style="text-align: right;"><i>Wis. STAT. § 895.46 (1)</i></p> <p>State generally provides legal representation or pays attorney fees for defense, unless defendant was acting outside scope of employment.</p> <p style="text-align: right;"><i>Wis. STAT. § 895.46 (1)</i></p>	<p>State pays damages and costs awarded against public officer or employee sued in official capacity for acts committed while carrying out official duties, provided defendant acted within scope of employment.</p> <p style="text-align: right;"><i>Wis. STAT. § 895.46 (1)</i></p> <p>State generally provides legal representation or pays attorney fees for defense, unless defendant was acting outside scope of employment.</p> <p style="text-align: right;"><i>Wis. STAT. § 895.46 (1)</i></p>

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<b>11. Public Employee Trust Fund Money.</b>		
<i>Fiduciaries</i>	<p>Each Board member is a trustee of the Public Employee Trust Fund.  <i>[Wis. STAT. § 40.01 (2)]</i></p> <p>Must deal with WRS in same faithful manner as trustees would administer any trust. Must exercise diligence, prudence, and absolute fidelity in managing trust assets.  <i>Case law interpreting Wis. STAT. § 40.01<sup>3</sup></i></p>	<p>The DETF administers the Public Employee Trust Fund.  <i>[Wis. STAT. § 40.01 (2)]</i></p>
<i>Market recognition account (MRA)</i>		<p>DETF must establish and administer the Market Recognition Account. <i>Requires actuary's recommendation and approval by the Board.</i>  <i>Wis. STAT. § 40.04 (3) (am) 1.</i></p>
<i>Annuity reserve surplus</i>	<p>Must distribute surpluses in the fixed division of the annuity reserve, as a percentage increase in the amount of the monthly annuity in force. No distinction may be made amount the various types of annuities payable from the fixed division of the annuity reserve, except for prorating annuities first effective during the previous year, as provided by rule. <i>Requires actuary's recommendation and a surplus sufficient to increase annuities in force by at least 0.5%.</i>  <i>Wis. STAT. § 40.27 (2) (intro.), (a) and (b).</i></p>	<p>May write rule setting different threshold for fixed division annuity surplus distribution, other than statutory standard 0.5% of annuities in force.  <i>Wis. STAT. § 40.27 (2) (intro.)</i></p>
<i>Investments by other retirement systems</i>	<p>May allow any separate retirement system for employees to purchase shares of the fixed retirement investment trust or variable retirement investment trust or both.  <i>[Wis. STAT. § 40.03 (1) (n)]</i></p>	<p>Must promulgate rules governing when and the amounts that separate retirement systems may send, deliver or withdraw and the valuation of such funds and distribution of investment income. Rules may modify the accounting and valuation bases and the investment earnings distribution procedures of the WRS as necessary to achieve equity among the various retirement systems.  <i>Wis. STAT. § 40.03 (2) (q)</i></p>

<sup>3</sup> *Wisconsin Professional Police Association, Inc. v. Lightbourn*, 627 N.W.2d 807, 243 Wis.2d 512, reconsideration denied 634 N.W.2d 324, 246 Wis.2d 179, certiorari denied 122 S.Ct. 812, 534 U.S.1080, 151 L.Ed.2d 696.

ETF Board		Secretary of DETF
<i>Insurance assets and reserves</i>	<p>May transfer all or part of the assets and reserves held in the separate group health, Income Continuation Insurance, life insurance or other account for another type of insurance provided in this chapter to any other such account, in order to provide any group insurance benefit offered by the group insurance board. Prerequisite: <b>Requires recommendation of the actuary to exercise.</b><sup>4</sup></p> <p style="text-align: right;"><i>[Wis. STAT. § 40.03 (1) (p)]</i></p>	
<i>Investment of cash</i>		<p>DETF must advise the Investment Board and DOA Secretary of limits on the investment of cash from the Fixed and Variable Retirement Investment Trusts, in order to maintain the cash balances deemed advisable to meet current annuity, benefit and expense requirements.</p> <p style="text-align: right;"><i>Wis. STAT. § 40.04 (3) (c)</i></p>
<i>Gifts</i>	<p>May accept gifts, grants and bequests of any kind, provided either that no purpose is specified or the specified purpose is granting cash benefits to some or all of the participants, insured employees or annuitants of the Public Employee Trust Fund or reducing employer or employee costs.</p> <p style="text-align: right;"><i>[Wis. STAT. § 40.03 (1) (h)]</i></p>	
<i>Employee "roll-in" contributions</i>		<p>May modify the accounting and valuation bases and the investment earnings distribution procedures of the WRS as necessary to achieve equity among the various types of payments and contributions to, and payments from, the WRS.</p> <p><b>Requires rule-making.</b></p> <p style="text-align: right;"><i>Wis. STAT. § 40. 03 (2) (r)</i></p>

<sup>4</sup> Also note potential for conflict with Wis. STAT. § 40.01 (2), which provides, in part, "... Revenues collected for and balances in the accounts of a specific benefit plan shall be used only for the purpose of that benefit plan ... and shall not be used for the purposes of any other benefit plan. ..."

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<b>12. Administration of Benefits.</b>		
<i>General responsibility</i>		Must administer the various benefit plans in accordance with the laws governing them, making benefits payments to the appropriate persons in the manner and amount specified by law. Wis. STAT. ch. 40 and other state and federal law
<i>Distribution of materials</i>	May require any employer to distribute to its employees any materials necessary for the efficient administration of the fund. [Wis. STAT. § 40.03 (1) (k)]	
<i>Insurance alternatives to WRS benefits</i>	May determine to instead provide some or all WRS disability annuities or death benefits through group insurance plans to be established by the group insurance board. [Wis. STAT. § 40.03 (1) (i)]	
<i>Creditable service</i>	May conclusively determine the length of creditable service from information available. Wis. STAT. § 40.03 (1) (g)	
<i>Actuarial tables</i>	Must approve tables used for computing benefits under the WRS (following written certification of the tables by the actuary) Wis. STAT. § 40.03 (1) (b)	
<i>Death benefits and annuities</i>	Must authorize and terminate the payment of all death benefits and annuities (except disability annuities) in accordance with ch. 40. Wis. STAT. § 40.03 (1) (a)	Must process all applications for annuities and ch. 40 benefits. Wis. STAT. § 40.03 (2) (c)  May suspend an annuity when the Secretary judges that the annuitant is not eligible to receive the annuity. <i>Requires later ETF Board ratification for non-disability annuities.</i> Wis. STAT. § 40.03 (2) (d)  May start benefit payments based on estimated amounts (if the applicant is eligible for the benefit) and then correct payments after the final determination of the amount of the annuity or benefit.  Wis. STAT. § 40.03 (2) (c)

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<i>Revocation of annuity "dividends"</i>	May revoke previously granted fixed annuity "dividends" prospectively, in whole or part. <i>Requires recommendation of the actuary and a deficient in the fixed annuity reserve that would reduce annuities in force by at least 0.5%.</i> Wis. STAT. § 40.27 (2) (c)	DETF may write rule setting a different deficit threshold for revoking previously granted fixed annuity dividends, instead of the statutory standard of a deficit resulting in a 0.5% or more reduction of annuities in force. Wis. STAT. § 40.27 (2) (c)
<i>Disability benefit medical re-exams</i>	May require that any annuitant receiving a WRS disability annuity, who is under normal retirement age, must be examined during a year by at least one licensed and practicing physician, designated or approved by the board. Wis. STAT. § 40.63 (9) (a)	Must establish the form for the written report of the medical examination of a disability annuitant who has not yet reached normal retirement age. Wis. STAT. § 40.63 (9) (a)
<i>Limit sick leave conversion credits</i>		May, by rule, limit the number of sick leave days that may be converted to credits to pay health insurance, but the number of days allowed must be in proportion to the number of weeks per year the faculty or staff is appointed to work. <sup>5</sup> <i>Authority applies with respect only to faculty and academic staff appointed to work less than 39 weeks per year.</i> Wis. STAT. § 40.05 (4) (bp) 1.
<i>Employee-funded reimbursement accounts (ERA)</i>	Must select and contract with a providers of ERA Plan to be used by state agencies. <i>Requires that selection procedure be in accord with Wis. STAT. § 16.705.</i> Wis. STAT. § 40.85	DETF must determine amount of, and collect, fees to cover the ERA program's costs from each state agency with eligible employees. <i>Requires Board approval of fee formula.</i> Wis. STAT. § 40.875
<i>Estimate Social Security benefits</i>		May set up a default procedure for estimating a person's Social Security benefits (in the absence of a certified Social Security earnings record or benefit amount), to estimate accelerated annuity benefits. Wis. STAT. § 40.03 (2) (k)

<sup>5</sup> Under the same statute, faculty and academic staff personnel appointed to work 52 weeks per year, are limited to converting 8.5 days of sick leave per year and faculty and academic staff personnel appointed to work 39 weeks per year are limited to converting 6.4 days of sick leave per year.

<b>ETF Board</b>		<b>Secretary of DETF</b>
<b>13. Administrative Appeals.</b>		
<i>DETF determinations</i>	<p>Must accept timely appeals from determinations made by the DETF, except for appeals regarding disability annuities, review the relevant facts and make a determination.</p> <p style="text-align: right;"><i>Wis. STAT. § 40.03 (1) (j)</i></p>	<p>May settle any dispute in an appeal of a determination made by the DETF that is subject to review by the Board. Must consider factors such as the cost of litigation, the likelihood of success on the merits, the cost of delay in resolving the dispute, the actuarial impact on the trust fund, and any other relevant factor the Secretary considers appropriate. <i>Settlement must be ratified by the Board.</i></p> <p style="text-align: right;"><i>Wis. STAT. § 40.03 (2) (v)</i></p>
<i>Employer decisions</i>	<p>Must consider direct appeals by employees concerning the employer's classification of the employee as a protective occupation participant, teacher or other classification and mail a report of its decision to the employee and the participating employer or state agency.</p> <p style="text-align: right;"><i>Wis. STAT. § 40.06 (1) (e) 1.</i></p>	<p>May review any classification of an employee, other than a state employee, as a protective occupation participant and challenge that determination by filing notice of appeal with the Board. The employer determination remains in effect unless altered by the Board.</p> <p style="text-align: right;"><i>Wis. STAT. § 40.06 (1) (em)</i></p>
<b>14. Agency Organization.</b>		
<i>Internal organization &amp; district offices</i>		<p>May establish the internal structure of the Office of the Secretary to best suit the purposes of the department.</p> <p style="text-align: right;"><i>Wis. STAT. § 15.02 (3) (a)</i></p> <p>Establish the internal organization of the department into divisions, bureaus, sections and units and allocate duties and functions not already specifically assigned by law, to promote economic and efficient administration and operation.</p> <p><i>Requires approval of governor.</i></p> <p style="text-align: right;"><i>Wis. STAT. §§ 15.02 (4) and 40.03 (2) (b)</i></p> <p>May, for field operations, establish district or area offices which may cut across divisional lines of responsibility.</p> <p style="text-align: right;"><i>Wis. STAT. § 15.02 (3) (b)</i></p>

ETF Board		Secretary of DETF
<b>15. Reporting &amp; Advisory Functions.</b>		
<i>Create advisory bodies</i>		<p>May create and appoint such councils or committees as operation of the department requires (to serve without compensation except reimbursement for actual and necessary expenses).</p> <p style="text-align: right;"><i>Wis. STAT. § 15.04 (1) (c)</i></p>
<i>Long term care insurance</i>		<p>DETF must advise the Department of Health and Family Services on the design of long-term care insurance.</p> <p style="text-align: right;"><i>Wis. STAT. § 146.91 (2)</i></p>
<i>Health care plan reporting</i>		<p>DETF must cooperate with the Department of Health and Family Services in its study of a voluntary system of health care plan reporting to enable purchasers and consumers to assess the performance of health care plans and the health care providers, other than hospitals and ambulatory surgery centers.</p> <p style="text-align: right;"><i>Wis. STAT. § 153.05 (6r)</i></p>
<i>DETF operations &amp; performance</i>		<p>Must, by October 15 in odd-numbered years, report to the governor and the chief clerk of each legislative on the performance and operations of the DETF during the preceding biennium, and projecting goals and objectives for the program budget report. Must include financial and actuarial balance sheets reflecting changes in the asset, liability and reserve accounts and any additional statistics the Secretary determines are necessary or desirable for a full understanding of the status of the fund and the benefit plans.</p> <p style="text-align: right;"><i>Wis. STAT. §§ 15.04 (1) d) and 40.03 (2) (e)</i></p> <p>Must submit this report to each employer plus any participant in any benefit plan who requests it.</p> <p style="text-align: right;"><i>Wis. STAT. § 40.03 (2) (e)</i></p>

<b>ETF Board</b>		<b>Secretary of DETF</b>
<i>Participant accounts</i>		<p>Must submit a statement of the participant's account and appropriate explanatory material, each year, to:</p> <ul style="list-style-type: none"> <li>• Each participant currently making contributions.</li> <li>• Each other participant who requests it.</li> <li>• Any other participant to whom the Secretary judges it is desirable.</li> </ul> <p style="text-align: right;"><i>Wis. STAT. § 40.03 (2) (g)</i></p>
<i>Anti-discrimination recommendations</i>		<p>Must examine and assess the statutes, rules and procedures under which the Secretary or DETF have powers and regulatory responsibilities looking for arbitrary discrimination on the basis of race, religion, national origin, sex, marital status or sexual orientation and take remedial action, including making recommendations to the appropriate executive, legislative or administrative authority.</p> <p style="text-align: right;"><i>Wis. STAT. § 15.04 (1) (g)</i></p>
<b>16. Miscellaneous Powers &amp; Duties.</b>		
<i>Social Security</i>		<p>May execute, on behalf of the State of Wisconsin, a modification of the §218 agreement with the federal Department of Health and Human Services to include a WRS employer under Social Security.</p> <p style="text-align: right;"><i>Wis. STAT. § 40.40</i></p>
<i>Employer Agents</i>		<p>May authorize a governing body to designate agent(s) to act for the body in all Trust Fund matters.</p> <p style="text-align: right;"><i>Wis. STAT. § 40.03 (2) (j)</i></p>
<i>Official Oath</i>	Each board member must take and file the official oath <sup>6</sup> before assuming office. <i>Wis. STAT. § 15.07 (7)</i>	<p>Must take and file the official oath prior to assuming office.</p> <p style="text-align: right;"><i>Wis. STAT. § 15.05 (4)</i></p>
<i>Official Seal</i>		<p>May adopt a seal for the DETF.</p> <p style="text-align: right;"><i>Wis. STAT. § 15.04 (1) (e)</i></p>

<sup>6</sup> Wis. STAT. § 19.01 (1) provides the form of the official oath, which must be subscribed and sworn to in writing.