



## Contract By Authorized Board

**Commodity or Service:** Federal Tax Counsel to the State of Wisconsin  
Employee Trust Funds Board for the Wisconsin  
Retirement Systems and related programs

Request for Bid/Proposal No: ETI0009

Authorized Board: Employee Trust Funds  
Board

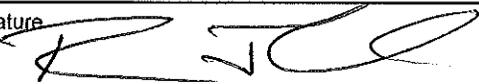
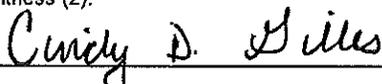
**Contract Period:** 07/01/2011 thru 06/30/2012 with an option to extend the contract for three (3) additional one-year periods subject to the satisfactory negotiation of terms acceptable to the Department and named firm.

1. This contract is entered into by and between the State of Wisconsin, Department of Employee Trust Funds (Department), the State of Wisconsin Employee Trust Funds Board (Board), and the contractor whose name, address, and principal officer appears on page 2. The Department is the sole point of contract for Board contracting;
2. Whereby the Department of Employee Trust Funds agrees to direct the purchase and the contractor agrees to supply the contract requirements cited above in accordance with the terms and conditions of the request for bid cited above, and in accordance with the contractor's bid submitted on this request for bid which request for bid is hereby made a part of this contract;
3. In connection with the performance of work under this contract, the contractor agrees not to discriminate against any employees or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in s.51.01(5), Wis. Stats., sexual orientation as defined in s.111.32(13m), Wis. Stats., or national origin. This provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Except with respect to sexual orientation, the contractor further agrees to take affirmative action to ensure equal employment opportunities. The contractor agrees to post in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the nondiscrimination clause.
4. Contracts estimated to be over twenty-five thousand dollars (\$25,000) require the submission of a written affirmative action plan. Contractors with an annual work force of less than twenty-five (25) employees are exempted from this requirement.

Within fifteen (15) working days after the award of the contract, the plan shall be submitted for approval to the Department. Technical assistance regarding this clause is provided by the Purchasing Agent, Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931, (608) 266-8989, mark.blank@etf.state.wi.us.

5. For purposes of administering the contract, the Order of Precedence is: the official purchase order; this contract; Amendment -1 dated 06/02/2009 with Ice Miller LLP; Letter dated 05/11/2009 from Ice Miller LLP; State's revisions, addendum, and supplements to RFP; RFP issued 01/22/2009 the Standard terms and conditions; and Contractor's response to the RFP
6. Extend contract for additional year 07/01/10 thru 06/30/2011. Contract Amendments -2 and 3 dated 06/29, 210 Exhibit 1 Dated 07/01/10.
7. Extend contract for additional year 07/01/2011 thru 06/30/2012. Contract Amendment 4 dated July 1, 2011; and Exhibit A, Hourly rates.

**Contract Number & Service: ETI0009 Federal Tax Counsel to the State of Wisconsin Employee Trust Funds Board for the Wisconsin Retirement Systems and related programs**

State of Wisconsin Department of Employee Trust Funds	
By Authorized Board (Name)	Employee Trust Funds Board
By (Name)	Robert J. Conlin
Signature	
Title	Deputy Secretary, Department of Employee Trust Funds
Phone	608-261-7940 bob.conlin@etf.state.wi.us
Date (MMDD/CCYY)	7/20/2011
Witness (1):	
Witness (2):	

To be Completed by Contractor	
Legal Company Name	Ice Miller LLP
Trade Name	
Taxpayer Identification Number	35-0874357
Company Address (City, State, Zip)	INDIANAPOLIS, IN One American Sq. 29th 46282-0200
By (Name)	MARY BETH BRATMAN
Signature	
Title	PARTNER
Phone	(317) 236-2100
Date (MMDD/CCYY)	July 11, 2011
Witness (1):	
Witness (2):	

## Amendment #4 to ETI0009

### Updated – July 1, 2011 WORK PROJECTS FOR JULY 1, 2011 TO JUNE 30, 2012 (DOCUMENT AND OPERATIONAL COMPLIANCE)

Following is a detailed summary and timetable of document and operational compliance projects to accompany the timetable for VCP and Cycle E filings.

#### **1. Taxation and Reporting – 1099-R's**

- a. An overall review of 1099-R's
- b. Review line of duty disability taxation rules for both members and survivors – 2010 – conflicting information from IRS over time.
  - Need any IRS correspondence WRS has
  - Need to update WRS brochure
- c. Review basis recovery approach
- d. Review 1099-R coding.
- e. Review treatment of \$5,000 death benefit (40.73).

#### **2. Plan Document Compliance and Cycle E Filing**

- a. Follow up with Internal Revenue Service as appropriate on pending application
  - To update for 2011 final Wisconsin legislation and any regulations
- b. Respond to any IRS questions.

#### **3. Compliance with Internal Revenue Code Section 415**

- a. Finalize 415 language – The 415 approach for the future would have to be finalized as part of the Proposed Amendment pending with IRS – post IRS closure of case. Also need to consider regulation changes.
- b. Communications to participants and employers
- c. Publish updated 415 limits in January 2012.

#### **4. 401(a)(17) Compliance**

Finalize Plan language: Plan language in Proposed Amendment. One aspect of plan language is to clarify use of IRS grandfathering rule for those WRS members who became members prior to January 1, 1996. Also need to consider regulation changes.

#### **5. Rollovers Compliance (Code Section 401(a)(31))**

- a. Plan Language – Proposed Amendment contains changes due to federal law changes.
- b. Prepare Briefing Paper – To reflect all changes in federal law over last 10 years. This paper would be reviewed with Staff for any compliance issue.

#### **6. Required Minimum Distributions, Including Dormant Accounts (Code Section 401(a)(9))**

- a. Plan Language –Proposed Amendment details the requirements for distributions from WRS.
- b. Dormant Accounts – Need to evaluate those. ETF encourages retaining membership for rights to future benefits. Compliance strategy needs to reflect that policy.
- c. Death Benefits – Need to review operational treatment of those accounts.
- d. Briefing Paper – This would be a resource paper that would be reviewed with Staff.

**7. 403(b) Compliance**

- a. Make recommendations for future action – Because of changes to federal program, need to make recommendation on this program.
- b. Specific compliance questions – We would also address specific compliance questions that ETF staff has about the 403(b) program in balance of 2011.
- c. IRS Submission – Need to continue to monitor IRS procedural changes with respect to those plans.

**8. In-Service Distribution**

Emeritus Program

- Initial analysis of issues sent June 16, 2011.

**9. Participation Issues**

ETF Secretary has requested that certain participation issues also be addressed.

**10. Service Purchases**

Consider any "loose ends" with respect to purchases.

**11. Ongoing Ad Hoc work, including, without limitation:**

- (a) Review of proposed and enacted legislation and regulations; and
- (b) Consultation on proposed studies and reviews of Wisconsin Retirement System and plan design.