

No. 468, S.]

[Published June 27, 1959.

CHAPTER 148

AN ACT to amend 38.24 (1) (b), (3) (h), (6) (c) 2, (d) 3 and 5, (e) 1, 2 and 3, (f) 2, (h), (i), (11) (f) 3 and (23) (b) of the statutes, relating to the clarification of certain administrative provisions pertaining to public school teachers' annuity and retirement funds in cities of the first class.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

38.24 (1) (b), (3) (h), (6) (c) 2, (d) 3 and 5, (e) 1, 2 and 3, (f) 2, (h), (i), (11) (f) 3 and (23) (b) of the statutes are amended to read:

38.24 (1) (b) A retirement deposit fund, made up of deposits made under sub. (11) (f) 1, 2 and 3, and interest accretions thereto.

(3) (h) Each member to whom the materials are sent under par. (d) shall indicate whether he desires to be a member of the separate group or the combined group on the form furnished for that purpose, and mail or

deliver said form to the office of the retirement fund. Such form must be received by the board not later than July 4, 1957. Each such member shall enter on such form the address at which he will receive mail, or from which first class mail will be forwarded to him, during the following 120 days.
* * *

(6) (c) 2. Said election may be made at any time by the member, and shall become effective as to deposits based on earnings after the following * * * *August 31* unless the board adopts rules for more frequent elections.

(d) 3. The board shall establish and maintain such reserve or surplus funds in the fixed annuity division and in the variable annuity division as the interests of the members and the future solvency of the funds may require. The board shall, as of * * * *August 31* of each year, make such valuations of the several funds as are necessary for the purposes of the retirement fund.

5. After * * * *July 1, 1968*, all the assets of the fixed annuity division of the combined group shall be invested only in investments which are legal for life insurance companies in Wisconsin under s. 206.34.

(e) 1. The earnings of the funds of the variable annuity division *and the fixed annuity division* shall consist of such items as dividends, rents, interest payments and other income derived from investments rather than from changes in capital value of investments. The earnings shall be decreased by the administrative and investment expenses of such funds.

2. As of * * * *August 31* of each year the board shall determine the earnings to be apportioned to the several funds of the variable annuity division *and the fixed annuity division*.

3. Earnings will be credited to the individual accounts in the retirement deposit fund only on amounts which have been on deposit for the full year except that, whenever a member's deposit accumulation, or state deposit accumulation, or both, are to be paid out in a single sum, or are transferred to the reserve fund, interest shall be credited to the amount to be so paid out or transferred for each 3-month period which has elapsed since the preceding * * * *August 31* at one-fourth of the rate at which earnings were apportioned on such * * * *August 31*. The interest so credited shall be charged to the earnings for the current fiscal year and shall be paid out or transferred with the amount to which it was so credited.

(f) 2. As of * * * *August 31* of each year the board of trustees shall determine the capital gains or losses to be apportioned to the several funds.

(h) Whenever the balance in the reserve fund of the variable annuity division, as of * * * *August 31* of any year, exceeds or is less than the present value of all variable annuities in force, determined in accordance with the rate of interest and approved actuarial tables then in effect, by at least 2 per cent of said present value, the amount of each variable annuity payment shall be proportionately increased or decreased.

(i) Notwithstanding the provisions of subd. 2, the board may, in order to avoid substantial inequities, in the event of extraordinary fluctuation in the market value of the investments, increase or decrease the variable annuity payments at times other than * * * *August 31*.

(11) (f) 3. A state deposit on behalf of each such teacher shall be made in an amount equal to the member's deposit reserved under subd. 1. State deposits shall be credited as of *August 31* of the fiscal year for which such member's deposits were made, *except that whenever, prior to the end of the fiscal year, a member's deposit accumulation is to be paid out in a single sum as a death benefit pursuant to sub. (4) (h), or transferred pursuant to sub. (4) (fr), immediately before such withdrawal or trans-*

*fer the account of the member shall be credited with the same state deposit which it would have received on the following August 31. All amounts credited as state deposits shall be charged to the sums transferred to the retirement fund under * * * s. 20.551 (16).*

(23) (b) Paragraph (a) shall apply in all cases of withdrawals under s. 42.49 (1) *whether made prior to or after June 30, 1951, and whether or not at the time of such election the member making such election was employed in a school or school system to which this section applies, and notwithstanding the repeal of * * * sub. (22), statutes of 1949, by chapter 511, laws of 1951.*

Approved June 25, 1959.
