

CHAPTER 556.

AN ACT to amend 42.45 (1) and to create 42.49 (3c) and 42.531 of the statutes, relating to revision of the formula for calculating state deposits and providing minimum annuities under the state retirement system.

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

SECTION 1. 42.45 (1) of the statutes is amended to read:

42.45 (1) The state deposit on behalf of each teacher shall be an amount equal to the following percentage upon the required deposit made by such teacher during the fiscal year, namely, to 50 per cent of the required deposit add 5 per cent of the required deposit for each year of teaching experience excluding the year for which deposit is made, * * * provided that the total shall not exceed 200 per cent of the required deposit; provided, that in computing the state deposit, any amount of required deposit on account of any amount of annual compensation in excess of \$3,000 shall be disregarded in applying the above percentages. If the teacher received compensation for service as a teacher in the public schools, the teachers colleges, or the university, for not less than a school year during the fiscal year the state deposit shall be increased \$25.

SECTION 2. 42.49 (3c) of the statutes is created to read:

42.49 (3c) (a) When a member who, after the effective date of this subsection, taught in a position which compelled such member to make required deposits, ceases to be employed as a teacher, and is not on a leave of absence from a teaching position, and has attained the age of 60 years or more, and has had not less than 30 years of teaching experience of which not less than 20 years were in the public schools, the teachers colleges, or the university in this state, and has applied the entire accumulation from required deposits as provided in section 42.49 (2) and the accumulation from the state deposits has been applied by the member to the purchase of an annuity as provided in section 42.49 (3);

1. If the annual amount of the annuity provided under section 42.49 (3), together with the annual amount of the annuity, if any, provided for the member under section 42.51 when computed as an annuity payable to the member during life is less than one hundred fortieth of the average annual salary received by the member for the last 5 years of teaching experience in the public schools, the teachers colleges, or the university in this state, provided that any excess of such average over \$4,800 shall be disregarded, multiplied by the number of years of the member's teaching experience not exceeding 35 years in the public schools, the teachers colleges, or the university in this state, the said annuity to the member shall be increased so that the member shall be paid an annuity for life equal to such amount, or the actuarial equivalent of such life annuity, and

2. If the sum of the annual annuity provided in 1. above and the annual annuity purchased by the accumulation of required deposits when computed as an annuity payable to the member during life is less than one-seventieth of the average annual salary as defined in 1. above, multiplied by the number of years of the member's teaching experience not exceeding 35 years in the public schools, the teachers colleges, or the university in this state, the annuity to the member shall be increased so that the member shall be paid an annuity for life equal to such amount, or the actuarial equivalent of such life annuity. Any such increases in the annuity shall be paid from the contingent fund. Any increased annuity herein provided shall not be available for any member who has at any time withdrawn any amount from the retirement deposit fund or received any annuity under sections 42.20 to 42.54, except that

3. The increased annuity shall be available for any member who has withdrawn any amount from the retirement deposit fund provided that the amount withdrawn be repaid to the retirement deposit fund, with interest at the rate of 3 per cent per annum from the date of withdrawal to the date of repayment, before application is made for an annuity under this subsection, and

4. The increased annuity shall be available for any member who makes the repayment required by 3. immediately preceding, who has been an annuitant under sections 42.20 to 42.54, and who returned to teaching and made required deposits prior to the effective date of this subsection, provided that when such member makes application for such increased annuity, all of the accumulations then to the credit of such member in the retirement deposit fund shall be used to increase the annuity last granted to such member and the increased annuity must be taken in the form of the annuity so last granted, which shall be decreased by that portion of the annuity or annuities previously granted to such member from his required deposit, state deposit and prior service accumulations.

SECTION 3. 42.531 of the statutes is created to read:

42.531 The legislature hereby declares that any contract or contractual relationship, which may be created after the effective date of this section (1951) between this state and any person whomsoever by virtue of any or all of the provisions of sections 42.20 to 42.54, shall be subject to absolute revocation or to any change which the legislature may see fit to make in the event that said persons, or the teaching positions which they may occupy, shall be included under or be covered by the old age and survivors insurance system provisions of the federal social security act.

SECTION 4. If any provision of this act or the application thereof to any person or circumstance is held unconstitutional, the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby.

Approved July 6, 1951.
