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Assembly Bill 2

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CHAPTER 337, Laws of 1973

AN ACT to repeal 42.49 (16) and 42.93; to amend 20.515 (2) (a) and 42.245 (5) (a); to repeal and recreate 42.49 (10) and 42.82; and to create 41.23 of the statutes, relating to the Wisconsin retirement fund, the state teachers retirement system and the Milwaukee teachers retirement fund and making an appropriation.

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

SECTION 1. 20.515 (2) (a) of the statutes is amended to read:

20.515 (2) (a) (title) *Retired public employe supplements.* A sum sufficient to pay the benefits authorized under ss. 41.23, 42.49 (10) and ~~(16)~~ and 42.82 in excess of the amounts payable under other provisions of chs. 41 and 42 and to reimburse the appropriation under s. 20.515 (1) (w) for the costs of administering such benefits.

SECTION 2. 41.23 of the statutes is created to read:

41.23 Supplemental benefits. (1) Any person who receives an annuity for the month of September 1974, from the Wisconsin retirement fund created under this chapter shall, subject to a continuation of the appropriation made by s. 20.515 (2) (a), be eligible to receive the following:

(a) The monthly annuities which the person was eligible for and received, for the month of September 1974; plus

(b) An amount which is equal to 4% times the number of full calendar years since the annuity began to January 1, 1974, times the smaller of \$250 or the initial monthly annuity, excluding amounts provided from additional deposits. Benefits under this paragraph shall be payable to the surviving beneficiary, who receives an annuity, of eligible persons. If the form of annuity elected provided for one monthly amount

initially and a different amount at some time in the future, for purposes of this paragraph, the initial monthly amount shall be determined for each month as the amount payable in that month pursuant to the initial computation for the form of annuity elected.

(2) Any benefit payable by virtue of this section in excess of the amounts payable under other provisions of this chapter shall be paid from and be subject to a continuation of the appropriation made by s. 20.515 (2) (a).

(3) Determinations of eligibility and the amount of any payment to be made under this section shall be made by the department, and shall be certified by the department for payment in the manner specified in s. 41.04 for payments from the Wisconsin retirement fund.

(4) No payment shall be made under this section, nor shall any right accrue under this section, for or after any month for which the member receives compensation which is subject to s. 41.07 (2) (am).

SECTION 3. 42.245 (5) (a) of the statutes, as affected by chapter 20, laws of 1973, is amended to read:

42.245 (5) (a) If any member receiving a retirement annuity receives compensation which ~~is~~ would be subject to s. 42.40 (6a) ~~if he were not an annuitant~~, his annuity shall be terminated as of the end of the month prior to the date on which the total of such compensation received in any fiscal year exceeds 6 times his average monthly earnings for the 3 fiscal years in which his earnings were the highest. For purposes of this subsection, compensation is considered received as of the date on which such compensation would be paid normally.

SECTION 4. 42.49 (10) of the statutes, as affected by chapter 20, laws of 1973, is repealed and recreated to read:

42.49 (10) SUPPLEMENTAL BENEFITS. (a) Any person who receives an annuity for the month of September 1974, from the state teachers retirement system shall, subject to a continuation of the appropriation made by s. 20.515 (2) (a), be eligible to receive, s. 42.49 (intro.) notwithstanding, the following:

1. The monthly annuities, including amounts provided under s. 42.49 (10) and (16), 1971 stats. subject to pending adjustments under s. 42.49 (16) (a) 1. d, 1971 stats., which the person was eligible for and received for September 1974; plus

2. An amount which is equal to 4% times the number of full calendar years since the annuity began to January 1, 1974, except teachers who retired prior to May 11, 1973, shall be deemed to have been retired at least one calendar year, times the smaller of \$250 or the initial monthly annuity excluding amounts provided under s. 42.49 (10) and (16), 1971 stats., and from additional deposits, provided that if the total initial monthly annuities exceed \$250 such percentages shall be applied only to the annuities in effect the longest. Benefits under this subdivision shall be payable to the surviving beneficiary, who receives an annuity, of eligible persons. If the form of annuity elected provided for one monthly amount initially and a different amount at some time in the future, for purposes of this subdivision, the initial monthly amount shall be determined for each month as the amount payable in that month pursuant to the initial computation for the form of annuity elected.

(b) Any benefit payable by virtue of this subsection in excess of the amounts payable under other provisions of this subchapter shall be paid from and be subject to a continuation of the appropriation made by s. 20.515 (2) (a).

(c) Determinations of eligibility and the amount of any payment to be made under this subsection shall be made by the department, and shall be certified by the department for payment in the manner specified in s. 42.48 for payments from the state teachers retirement system.

(d) No payment shall be made under this subsection, nor shall any right accrue under this subsection, for or after any month for which the member receives compensation which is subject to s. 42.40 (6a).

SECTION 5. 42.49 (16) of the statutes is repealed.

SECTION 6. 42.82 of the statutes is repealed and recreated to read:

42.82 Supplemental benefits. (1) Any person who receives an annuity for the month of September 1974, from a teachers retirement fund created under this subchapter shall, subject to a continuation of the appropriation made by s. 20.515 (2) (a), be eligible to receive the following:

(a) The monthly annuities, including amounts provided under ss. 42.82 and 42.93, 1971 stats. subject to pending adjustments under s. 42.82 (1) (a) 3, 1971 stats., which the person was eligible for and received, or would have received if such annuity had not been forfeited for that month pursuant to s. 42.73 (5) or 42.83, for September 1974; plus

(b) An amount which is equal to 4% times the number of full calendar years since the annuity began to January 1, 1974, except teachers who retired prior to May 11, 1973, shall be deemed to have been retired at least one calendar year, times the smaller of \$250 or the initial monthly annuity, excluding amounts provided under ss. 42.82 and 42.93, 1971 stats. and from additional deposits, provided that if the total initial monthly annuities exceed \$250 such percentages shall be applied only to the annuities in effect the longest. Benefits under this paragraph shall be payable to the surviving beneficiary, who receives an annuity, of eligible persons. If the form of annuity elected provided for one monthly amount initially and a different amount at some time in the future, for purposes of this paragraph, the initial monthly amount shall be determined for each month as the amount payable in that month pursuant to the initial computation for the form of annuity elected.

(2) Any benefit payable by virtue of this section in excess of the amounts payable under other provisions of this subchapter shall be paid from and be subject to a continuation of the appropriation made by s. 20.515 (2) (a).

(3) Determinations of eligibility and the amount of any payment to be made under this section shall be made by the department, and shall be certified by the department for payment in the manner specified in s. 42.71 (1) (c) for payments from the Milwaukee teachers retirement fund.

SECTION 7. 42.93 of the statutes is repealed.

SECTION 8. **Appropriation increase.** The appropriation under section 20.765 (2) (a) of the statutes, as affected by the laws of 1973, is increased by \$8,500 in 1974-75 to provide for costs of actuarial estimates on legislation before the joint committee.

SECTION 9. **Retirement study.** The retirement research committee is directed to develop for introduction in the 1975 legislature a comprehensive proposal for a continuing program of retirement cost of living increases which would be funded on an actuarially sound basis. Such proposal shall cover all state-administered retirement programs.

SECTION 10. **Effective Date.** This act shall take effect on September 1, 1974.
