

## Chapter S-L 24

*R. Reg. Mar. 1968*

**SINGLE PAYMENT CERTIFICATES  
PARTICIPATING IN VARIABLE EARNINGS RATES**

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**S-L 24.01 Plan.** Any association may, by resolution of its board of directors, offer single payment certificates to its members, as defined in Wis. Adm. Code, section S-L 23.02 (2) (a), which receive earnings at a rate or rates higher than its announced rate distributed on regular accounts defined in section S-L 23.02 (1). Single payment certificates issued under this plan shall not be less than \$1,000 and maintained for a period of not less than 6 months nor more than 12 months. Participation in extra earnings shall commence as of the date appearing on said single payment certificate.

**History:** Cr. Register, January, 1967, No. 133, eff. 2-1-67.

**S-L 24.02 Form of single payment variable rate certificate.** Wis. Adm. Code, section S-L 5.08 contains illustrative forms of the single payment variable rate certificates that may be used by an association that has determined to offer this type of plan to its members. Selection of any one of the 3 illustrative types is dependent upon the determination of the board of directors.

**History:** Cr. Register, January, 1967, No. 133, eff. 2-1-67.

**S-L 24.03 Specimen Resolution for adoption of plan.** Any association that has determined to adopt the plan of paying earnings on specified qualifying amounts at a rate or rates higher than regular accounts, shall adopt a resolution in the following form:

"Upon motion of \_\_\_\_\_, seconded by \_\_\_\_\_ and carried, the following resolution relative to the Single Payment Certificates participating in Variable Distribution rates was adopted:

'WHEREAS, the directors of the \_\_\_\_\_ Savings and Loan Association of \_\_\_\_\_, Wisconsin have given consideration to the distribution of earnings on Single Payment Certificates at a rate higher than the current announced rate of earnings distributed on regular accounts under the permissive authority of Wis. Adm. Code, chapter S-L 24, and

'WHEREAS, the current announced earnings rate on regular accounts is (1) ----- per cent per annum.

'Now, Therefore, it is Resolved, that effective this date, the ----- Savings and Loan Association of -----, Wisconsin, will distribute earnings on single payment certificates at the rate of (2) ----- per cent per annum in accordance with the following terms, conditions, limitations and eligibility requirements:

1. *Minimum Amount.* The minimum amount of a single payment variable rate certificate is \$ (3) -----.
2. *Qualifying Period of Ownership.* All single payment certificates in order to qualify for extra earnings distribution shall be issued for not less than 6 months nor more than 12 months.
3. *Exchange of Regular Accounts for Single Payment Certificates.* Members holding regular accounts, as defined in Wis. Adm. Code, section S-L 23.02 (1) may exchange such accounts for single payment certificates in minimum qualifying accounts without loss of earnings on the amounts transferred. The earnings on amounts transferred as the result of such exchange shall be paid on the subsequent regular earnings distribution date.
4. *Renewal of certificates.* All single payment certificates shall continue for successive qualifying periods of 6 months after completion of the original qualifying period.
5. *Distribution of earnings.* Earnings are distributable as determined by the board of directors.  
(Insert paragraph 3 of one of the three types of approved single payment certificates as contained in Wis. Adm. Code, S-L 5.08, which has been adopted by the board of directors.)
6. *Earnings distributed on withdrawals.* (This part is to be used only in the event the association has adopted the form of Single Payment Certificate under Option 3 of Wis. Adm. Code, section S-L 5.08 (1) (c).)  
Amounts withdrawn prior to the end of a qualifying period shall receive earnings at the rate of (4) ----- per cent per annum from the date of the certificate or the renewal date thereof to the date of withdrawal, provided however that the amount withdrawn was outstanding for a period of not less than 6 months."

- (1) Insert announced earnings rate on regular accounts
- (2) Insert rate of earnings on single payment certificates
- (3) Insert minimum qualifying amount of certificate
- (4) Insert rate of earnings to be distributed on withdrawals

**History:** Cr. Register, January, 1967, No. 133, eff. 2-1-67.

**S-L 24.04 Notice of availability to members.** Each association, which determined by resolution, as described in section S-L 24.03, to issue single payment certificates which receive earnings at a rate or rates higher than its announced rate distributed on regular accounts, shall within 30 days give notice of such determination by at least one of the following means:

- (1) By mail to all members having a withdrawable account of at least the qualifying amount; or

(2) By posting of a notice in a conspicuous place in the office of the association for so long as the association continues to offer the plan; or

(3) By publication in a newspaper of general circulation in the city or county in which the office is located.

**History:** Cr. Register, January, 1967, No. 133, eff. 2-1-67.

**S-L 24.05 Initial qualifying period of issue.** Any association may elect to issue single payment certificates for the initial period of not less than 6 months nor more than 12 months. The necessity for this latitude in setting up the initial qualifying period is to enable the association to have the initial qualifying period terminate on a regular earnings distribution date. The automatic succeeding renewal qualifying periods should be for 6 months so as to have all qualifying periods end on regular earnings distribution dates.

**History:** Cr. Register, January, 1967, No. 133, eff. 2-1-67.

**S-L 24.06 Payment of earnings.** Earnings are distributable on single payment variable rate certificates as determined by the board of directors by the adoption of any one of the following options:

(1) **OPTION NO. 1.** Regular earnings as determined by the board shall be distributed on the association's regular earnings distribution date. Extra earnings shall be distributed upon completion of the qualifying period.

*Note:* If this option is used, then the form of single payment variable rate certificate as appearing in Wis. Adm. Code, section S-L 5.08 (1) (a) must be adopted by the directors.

(2) **OPTION NO. 2.** Regular earnings as determined by the board shall be distributable on the association's regular earnings distribution date. Extra earnings shall be distributable upon completion of the qualifying period. If the associations so elect, the total anticipated rate of earnings may be indicated in the certificate.

*Note:* If this option is used, then the form of single payment variable rate certificate, as appearing in Wis. Adm. Code, section S-L 5.08 (1) (b) must be adopted by the directors.

(3) **OPTION NO. 3.** On the qualified amount of this certificate at the expiration of the period ending (Date) \_\_\_\_\_, it is anticipated, subject to final determination of the board, that the holder will be paid earnings at the rate of \_\_\_\_\_ per cent per annum. Amounts withdrawn prior to such date shall receive earnings on the following basis, but in no event less than 50% of the regular rate of earnings: Unless the funds, represented by this certificate, have been outstanding for a period of not less than 6 months, as the result of an exchange of an existing savings account or the opening of a new account as of the date hereof, earnings shall be distributed at the rate equivalent to (1) \_\_\_\_\_ % of the regular announced rate.

(1) Insert the percentage of regular earnings to be paid on withdrawals prior to completion date.

*Note:* If this option is used, then the form of single payment variable rate certificate, as appearing in Wis. Adm. Code, section S-L 5.08 (1) (c), must be adopted by the board.

**History:** Cr. Register, January, 1967, No. 133, eff. 2-1-67.

**S-L 24.07 Earnings declared and unpaid.** So long as the association has any single payment variable rate certificates outstanding, prior

to the expiration of the initial qualifying period or successive qualifying period, a reserve for undistributed earnings shall be maintained under the caption of "Earnings Declared and Unpaid."

**History:** Cr. Register, January, 1967, No. 133, eff. 2-1-67.

**S-L 24.08 Discontinuance of payment of extra earnings on single payment variable rate certificates.** (1) Appropriate notice to holders of single payment variable rate certificates participating in extra earnings shall be made 30 days or more prior to the expiration of a qualifying period, when the board of directors, by resolution, determines to discontinue such payment of extra earnings.

(2) Upon discontinuance of payment of extra earnings on single payment variable rate certificates, the association shall call in and cancel such certificates, and in lieu thereof, issue either a passbook savings account, as authorized by Wis. Adm. Code, section S-L 5.02 (1), or a certificate of earnings account as authorized by section S-L 5.03.

**History:** Cr. Register, January, 1967, No. 133, eff. 2-1-67.

**S-L 24.09 Use of passbooks prohibited.** The imprinting of or attaching of the single payment variable rate certificate in a passbook or an account book showing a record of payments and withdrawals is prohibited.

**History:** Cr. Register, January, 1967, No. 133, eff. 2-1-67.

**S-L 24.10 Certification by association's attorney.** If the association is one whose members' accounts are insured by the Federal Savings and Loan Insurance Corporation, the association's attorney must submit an opinion to the Federal Savings and Loan Insurance Corporation that:

(1) The association's articles of incorporation and bylaws and terms of any other currently issued forms of accounts are not inconsistent with the rules and regulations for insurance of accounts;

(2) The association's articles of incorporation and bylaws permit the payment of variable earnings rates; and

(3) The security form of the single payment variable rate certificate conforms to Wisconsin law.

✓ **History:** Cr. Register, January, 1967, No. 133, eff. 2-1-67.

**S-L 24.11 Supervisory approval evidence.** If the association is one whose members' accounts are insured by the Federal Savings and Loan Insurance Corporation, the association must submit evidence to the Federal Savings and Loan Insurance Corporation that the savings and loan commissioner of Wisconsin has no objection to the issuance of a single payment variable rate certificate as authorized under this chapter.

**History:** Cr. Register, January, 1967, No. 133, eff. 2-1-67.

**S-L 24.12 Maximum amount of single payment variable rate certificates.** No association may issue any single payment variable rate certificate at any time the aggregate of single payment variable rate certificates, authorized by this chapter, and all bonus plan accounts as authorized by Wis. Adm. Code, chapter S-L 10, including single payment savings account certificates participating in bonus earnings, exceed 50% of the association's total savings capital.

**History:** Cr. Register, January, 1967, No. 133, eff. 2-1-67.

**S-L 24.13 General.** Nothing in this chapter prohibits an association from issuing single payment variable rate certificates for an initial 6 month qualifying period, said initial qualifying period terminating between regular earnings distribution dates. In instances of this type, the association must make full provision for any unpaid earnings declared during such initial period as required under section S-L 24.07. Payment of earnings at the termination of the initial qualifying period is hereby authorized by the savings and loan commissioner pursuant to the provisions of section 215.02 (12), Wis. Stats.

**History:** Cr. Register, January, 1967, No. 133, eff. 2-1-67.