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CHAPTER 396

AN ACT to amend 42.242 (3) (a) (intro. par.) and (d), (6) and (7), 42.243 (4) (e), (5) (c) and (7) (d), 42.45 (1) (d), 42.475 and 42.49 (2) (ab) and (13); and to create 42.243 (7) (g) 2a, 42.40 (5), 42.49 (2) (ba) and 42.50 (2) (ca) of the statutes, relating to the state teachers' retirement system.

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

SECTION 1. 42.242 (3) (a) (intro. par.) and (d), (6) and (7) of the statutes are amended to read:

42.242 (3) (a) (intro. par.) The annuity of any member of the com-

bined group who before April 5, 1957, was a member as defined in s. 42.20 (6r) (a), when computed as a straight life annuity, shall be increased by an amount sufficient so that such annuity, when added to the * * * OASI *primary or disability* benefit for which the member is or may be eligible as of the date payment of such annuity is to begin, is equal to:

(d) If any such member does not qualify for an OASI *primary or disability* benefit his annuity shall be increased by an amount such that said annuity, when computed as a straight life annuity, is equal to the total annuity for which such member would have been eligible under s. 42.49 (4), (5), (6) and (7) if he had remained a member of the separate group, excluding any portion of such annuity based on additional deposits. An annuity under this paragraph shall cease if such member subsequently qualifies for an OASI *primary or disability* benefit, and such member may then receive an annuity for which he qualifies otherwise.

(6) Any benefit payable for * * * *more than 95 days* for which the member receives compensation * * * *which is subject to s. 42.40*, shall be withheld from the member and be paid into the retirement deposit fund to be accumulated and applied, on the application of the member, toward the purchase of an annuity under * * * *this section*, paid as a death benefit under s. 42.50, or *withdrawn under sub. (7)*. Any part of the * * * *annuity* which is payable from the contingent fund shall be withheld for the benefit of the contingent fund.

(7) Any member, who has attained the age of 50 years, has ceased to be employed as a teacher * * *, and whose total accumulation from required deposits * * *, state deposits and *annuity payments withheld pursuant to sub. (6)* does not exceed \$3,000, may be paid such accumulation in a single payment upon filing an application therefor in such form as the board * * * *requires. The accumulation from additional deposits shall be paid at the same time.*

SECTION 2. 42.243 (4) (e), (5) (c) and (7) (d) of the statutes are amended to read:

42.243 (4) (e) 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.

(5) (c) 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 as a *death benefit pursuant to sub. (7) (d) or s. 42.50*, or are transferred to the annuity reserve fund pursuant to s. 42.48, 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 June 30 at one-fourth of the rate at which earnings were apportioned on such June 30. 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.

(7) (d) Death benefits with respect to deposits made by participants in the variable annuity division shall be governed by s. 42.50, except that when such benefit is being paid to someone other than the estate of the member and *such benefit exceeds \$3,000* a variable annuity shall be paid in lieu of a single sum payment. *Notwithstanding any other provision, in each case, such annuity * * * shall be paid to the beneficiary as a variable annuity, upon his application therefor and for * * * such period * * * as he may elect, but not less than 60 months.*

SECTION 3. 42.243 (7) (g) 2a. of the statutes is created to read:

42.243 (7) (g) 2a. An annuity payable monthly to the member during life, with a guarantee of at least 180 monthly payments, and in the event of the death of the member before 180 monthly payments have been made, the remainder of the monthly payments shall be continued to one beneficiary designated by the member, and in the event of the death of said beneficiary before 180 monthly payments have been made, the remainder of the 180 monthly payments shall be continued to a secondary beneficiary designated by the primary beneficiary; in the absence of such designation by the primary beneficiary, or in the event of the prior death of the person so designated by the primary beneficiary, the then present value of the remainder of the monthly payments shall be paid in a single sum to the estate of the primary beneficiary; in the event of the death of the secondary beneficiary after he has become entitled to receive monthly payments but before he has received all of them, the then present value of the remaining payments shall be paid in a single sum to the estate of the secondary beneficiary; or

SECTION 4. 42.40 (5) of the statutes is created to read:

42.40 (5) No deposit shall be made under sub. (1) or (2) by any person who was contributing to the employes retirement system of the county of Milwaukee on the effective date of this subsection (1959) while such person is contributing to such system.

SECTION 5. 42.45 (1) (d) of the statutes is amended to read:

42.45 (1) (d) All state deposits shall be credited as of June 30 except that whenever, prior to the end of the fiscal year, a member's deposit accumulation is to be paid out * * * as a death benefit pursuant to s. 42.50, or transferred pursuant to s. 42.48 immediately before such * * * *payment* or transfer, the account of the member shall be credited with the same state deposit which it would have received on the following June 30. All amounts credited as state deposits shall be charged to the sums transferred to the state teachers retirement system therefor pursuant to s. 42.46.

SECTION 6. 42.475 of the statutes is amended to read:

42.475 Whenever a member's deposit accumulation, or state deposit accumulation, or both, are to be paid out * * * as a death benefit pursuant to s. 42.50, or shall be transferred to the annuity reserve fund pursuant to s. 42.48, interest shall be credited to the amount to be so paid out or transferred for each 3-month period which shall have elapsed since the preceding June 30 at one-fourth of the rate at which earnings were apportioned on such June 30. The interest so credited shall be charged to the earnings for the current fiscal year and shall be paid out or transferred, as the case may be, with the amount to which it was so credited.

SECTION 7. 42.49 (2) (ab) of the statutes is amended to read:

42.49 (2) (ab) An annuity payable monthly to the member during life, and if the member dies before he has received an annuity, in monthly payments, an aggregate amount equal to the accumulations from such member's deposits at the time of his application for said annuity, the designated beneficiary *or beneficiaries* of such member shall be entitled to receive an amount equal to the difference between the accumulations from such member's deposits and the amount paid to said member as an annuity during his life.

SECTION 8. 42.49 (2) (ba) of the statutes is created to read:

42.49 (2) (ba) An annuity payable monthly to the member during life, with a guarantee of at least 180 monthly payments, and in the event of the death of the member before 180 monthly payments have been made, the remainder of the monthly payments shall be continued to one beneficiary designated by the member, and in the event of the death of said beneficiary before 180 monthly payments have been made, the remainder of the 180 monthly payments shall be continued to a secondary beneficiary designated by the primary beneficiary; in the absence of such designation by the primary beneficiary, or in the event of the prior death of the person so designated by the primary beneficiary, the then present value of the remainder of the monthly payments shall be paid in a single sum to the estate of the primary beneficiary; in the event of the death of the secondary beneficiary after he has become entitled to receive monthly payments but before he has received all of them, the then present value of the remaining payments shall be paid in a single sum to the estate of the secondary beneficiary; or

SECTION 9. 42.49 (13) of the statutes is amended to read:

42.49 (13) Any benefit payable for any month * * * *for* which the member * * * *receives* compensation * * * *which is subject to s. 42.40* shall be withheld from the member and be paid into the retirement deposit fund to be accumulated, and to be applied, on the application of the member, as provided in the case of the accumulation from state deposits; provided, that any part of the benefit which is payable from the contingent fund shall be withheld for the benefit of the contingent fund.

SECTION 10. 42.50 (2) (ca) of the statutes is created to read:

42.50 (2) (ca) As an annuity payable monthly to one beneficiary during life, and in the event of the death of said beneficiary before 180 monthly payments have been made, the remainder of the 180 monthly payments shall be continued to a secondary beneficiary designated by the primary beneficiary; in the absence of such designation by the primary beneficiary, or in the event of the prior death of the person so designated by the primary beneficiary, the then present value of the remainder of the monthly payments shall be paid in a single sum to the estate of the primary beneficiary; in the event of the death of the secondary beneficiary after he has become entitled to receive monthly payments but before he has received all of them, the then present value of the remaining payments shall be paid in a single sum to the estate of the secondary beneficiary; or

Approved August 31, 1959.
