

1969 Senate Bill 352

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CHAPTER 158, LAWS OF 1969

AN ACT to repeal 20.923 (2) (d) 2 and 3, 23.14, 42.20 (3m) and (6), 42.22 (1) to (5) and (8), 42.241 (14), 66.901 (intro.) and (15), 66.903 (2), 66.911, 66.912, 66.9185, 66.919 (2) and (4) (intro.), (f) and (g), 66.919 (13), 66.99 and 119.24 to 119.27; to renumber 42.20 (1m), (2), (3), (4), (5), and (6r) to (11), 42.20 (12g) to (17), 42.22 (9), 42.66, 42.67, 42.68, 66.89, 66.90, 66.901 (1) to (3), (4) (a), (c), (d) and (k) and (4a) to (14a) and (16) to (22), 66.902 (1) to (6), 66.9025, 66.903, except sub. (2), to 66.905, 66.906 (1) to (5) and 66.9065 to 66.91, except 66.909 (5a), 66.913, 66.914, 66.915 (1) and (5) to (8), 66.916 to 66.918, 66.919 (1), (3), (4) (a) (intro.), 1 (intro.), a and b, 2 (intro.), a and b, 3, 4 and 5, (c) to (e), (h), (5) (a) and (b), (6) (a), (b) 1 and 2, and (c) to (e), (7) (a) to (c), (7a), (8) (a) to (e), (9) (a) to (c), (10), (11) (a), (b) and (d), (12) and (12a), (14), (15) (a) to (cc), (d) 1 and 2 and (e) to (i), (16), (21), (25) and (30); to renumber and amend 42.20 (12), 42.22 (6) and (7), 42.65 and 66.909 (5a); to amend 13.50 (6) (c) 1 and 3, 14.53 (5m), 15.101 (intro.), 15.161 (3), 15.191 (intro.), 15.731, 17.23 (1) (d), 20.435 (5) (b), 20.515 (1) (r) and (2) (s), 20.855 (2) (a), 25.17 (14) (intro.); Title VI, 40.10 (2) (a) (intro.), 40.11 (2) (a) (intro.), 2 and (3), 40.15 (1), 40.16 (1), 40.17, 40.18 (1) and (2), 40.20 (4) and 40.22, 41.02 (11) (d), (12) (b) and (c) and (29), 41.05 (9) (b) 2 and 3, 41.08 (1) (a) 4, 41.10 (1) (a) and (3), 41.11 (1) (a), 41.11 (2), 41.12 (1) (a), (4) (a) and (b), (7) (b) and (10) (b), 41.13 (2) (a) 1 and (3) (d), 41.18 (1) and (4), 41.19 (2) (c), 41.21 (1a) and (1b), 41.51 (3), 41.52 (1) and (2), 42.20 (10) (c), all as renumbered; 42.21, 42.23, 42.24, 42.241 (4), (5), (6), (7) (a) and (e), (10), (11), (12), (12a) (a) and (c) and (15), 42.243 (1) (c), 42.244 (2), 42.30, 42.37 (4), 42.40 (8), 42.41 (1), 42.46 (2) (b), 42.49 (10) (c), 42.52 (2) and 45.50 (2); to repeal and recreate 13.51 (2) (b) and (c) and ch. 42 (title); and to create Title VI-A, ch. 40 (title), subch. II (title) of ch. 40, 40.10 (2) (intro.) and

(c), 40.11 (intro.) and (1), subch. VI (title) of ch. 40, 40.40 to 40.03, ch. 41 (title), subch. I (title) of ch. 41, 41.02 (intro), (1) and (2), 41.03, 41.04, 41.07 (2), subch. II of ch. 41, subch. III (title) of ch. 41, subch. I (title) of ch. 42, 42.20 (4), 42.22 (4) and (5), subch. II of ch. 42 and Title VI-B of the statutes, relating to the statutory implementation of changes made by the 1967 reorganization act in statutes dealing with retirement plans.

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

SECTION 1. 13.50 (6) (c) 1 and 3 of the statutes are amended to read:

13.50 (6) (c) 1. Whenever a public employe qualifies for membership in the Wisconsin retirement fund or the state teachers retirement system, but a question or dispute arises as to which of the 2 retirement systems he should be a member of, a petition may be filed with the committee requesting that the committee determine in which of said systems such person is eligible for membership. The petition may be made by the public employe, his employer, ~~the board of trustees of the Wisconsin retirement fund board,~~ the state teachers retirement board or the department of administration.

3. The committee shall furnish a copy of such decision to the petitioner, the Wisconsin retirement fund ~~board~~ and the state teachers retirement ~~system board.~~ To the extent possible such decisions may be followed as precedents applicable to similar cases. The decisions of the committee under this paragraph may be reviewed under ch. 227. In the absence of such review the decision of the committee shall be followed by ~~the Wisconsin retirement fund and the state teachers retirement system said boards.~~

SECTION 2. 13.51 (2) (b) and (c) of the statutes are repealed and recreated to read:

13.51 (2) (b) The administrator of the division of municipal and state government in the department of employe trust funds.

(c) The administrator of the division of teachers in the department of employe trust funds.

SECTION 3. 14.53 (5m) of the statutes is amended to read:

14.53 (5m) The ~~attorney general~~ *department of justice* shall furnish all legal services required by the state of Wisconsin investment board, the ~~highway commission,~~ the motor vehicle department of transportation, the ~~conservation commission,~~ *department of natural resources*, the state teachers retirement board, and the ~~board of trustees of the Wisconsin retirement fund board,~~ together with such other services, including stenographic and investigational, as are necessarily connected with such legal work. The ~~attorney general~~ *department of justice* shall at the end of each fiscal year render to the respective departments herein enumerated a statement of the total cost of such legal and other services including travel expenses and legal expenses enumerated in s. ~~20.180 (1) (c)~~ 20.455 (1) (d). Upon receipt of such statement, the respective department head shall certify the amount thereof to the department of administration to be paid into the general fund of the state treasury out of his proper appropriation.

SECTION 4. 15.101 (intro.) of the statutes is amended to read:

15.101 (intro.) The department of administration shall have the program responsibilities specified for the department under chs. 16 and 35, subch. V of ch. 111 and ss. 12.25 (2), 13.48, 14.72, 14.73, 14.752 (1), 14.86, 16.007 (2), 16.95 (2), 20.006, 20.944, 20.953, 20.956 (2), 20.957, 25.08, 25.09, 25.14, 25.155, 27.015, 27.30 (5), 36.10, 37.07, 40.42, 42.46, 42.48, 44.06, 45.01, 46.09, 49.39, 49.50, ~~66.012, 66.00 (8),~~ 70.60 (1), 70.82, 70.97, 71.13 (3) (g), 71.14, 77.64, 95.25 (4), 139.12, 142.08, 157.55, 176.62, 197.20, 253.07, 267.23, 285.04, 318.03 and 341.12 (4). In addition:

SECTION 5. 15.161 (3) of the statutes is amended to read:

15.161 (3) The Wisconsin retirement fund board shall have the program responsibilities specified for the board under *subch. II of ch. 40, subchs. I, II and III of ch. 41*, ss. 13.50 (6), 13.51 (3) and (4), 14.53 (5m), ~~23.14~~, 25.17 (4), ~~42.65~~, 61.65 (6) and (7), 62.13 (9) (e), (9a) and (10) (f) and (g), 66.191, ~~66.90 to 66.918, 66.99~~, 108.04 (13) (e) and 110.07 (3).

SECTION 6. 15.191 (intro.) of the statutes is amended to read:

15.191 (intro.) The department of health and social services shall have the program responsibilities specified for the department under chs. 46 to 58, 69, 140, 141, 143, 145, 146, 156, and 158 to 160 and ~~163~~ and ss. 13.53 (4) and (5), 14.225, 14.752 (1), ~~20.670, 20.930 (2) (a), 20.940, 20.970, 20.435, 20.923 (3) (g), 20.916 (3), 20.920, 23.99, 25.31, 29.145 (1), (1b), 30.71 (1), 32.02, 35.86, 36.217, 36.225, 36.227, 42.242 (4) (c), 42.245 (3) (c), 42.74 (1) (d), 42.78 (3) (c), 45.30, 46.99, 59.68, 68.15, 70.117, 97.046, 97.12, 101.40 to 101.43, 121.79 (1) (e), 139.13, 142.05 (4), 143.07 (5), 149.01, 155.01, 161.03, 161.14, 161.19, 174.13, 176.05 (21) (f), 231.11 (8), 236.12, 247.24, 247.29 (3), 285.05, 292.45, 313.03 (3), 319.295, 324.01, 341.12 (4), 343.09, 887.23, 957.11, 957.13, 957.27, 957.28 and 959.15~~. In addition:

SECTION 7. 15.731 of the statutes is amended to read:

15.731 The office of the commissioner of insurance shall have the program responsibilities specified for the office under chs. 199 to 212 and 645, *subch. II of ch. 41* and ss. ~~23.14, 66.911, 66.919 (2)~~, 41.17, 72.15 (4), 72.76 (3) and (4), 102.31, 102.65, 148.03, 151.17, 152.53, 182.032, 185.983, 185.984, 185.992, 185.994, 189.13 (7) and (8), 314.06 and 954.44.

SECTION 8. 17.23 (1) (d) of the statutes is amended to read:

17.23 (1) (d) In appointive offices, by appointment for the residue of the unexpired term by the appointing power and in the manner prescribed by law for making regular full term appointments thereto, ~~except that vacancies in the office of any member of the board of trustees of the public school teachers' annuity and retirement fund shall be filled in the following manner: In case the vacancy be that of a member of the managing body of the schools, such managing body, at its next regular meeting after the occurrence of such vacancy, shall elect a member to serve as such trustee during the residue of the unexpired term; in case the vacancy be that of a teacher member, the remaining teacher members of said board shall elect a teacher to serve as trustee until a teacher shall have been elected to serve as trustee for the residue of the unexpired term, at the next annual election, provided for in s. 119.24 (8) (d), after the occurrence of such vacancy.~~

SECTION 9. 20.435 (5) (b) of the statutes is amended to read:

20.435 (5) (b) A sum sufficient for determining disability under s. ss. 42.242 (4), 42.245 (3), 42.74 (1) and 42.78 (3).

SECTION 10. 20.515 (1) (r) and (2) (s) of the statutes are amended to read:

20.515 (1) (r) From the Milwaukee ~~public school teachers annuity and retirement fund~~, a sum sufficient to pay the administrative costs of the plan provided for under s. ~~119.24 subch. II of ch. 42~~.

(2) (s) From the Milwaukee ~~public school teachers annuity and retirement fund~~, a sum sufficient for the payment of benefits under s. ~~119.24 subch. II of ch. 42~~.

SECTION 11. 20.855 (2) (a) of the statutes is amended to read:

20.855 (2) (a) A sum sufficient to pay the state aid provided under s. ~~66.902 (6) (b)~~ 41.05 (9) (b).

SECTION 12. 20.923 (2) (d) 2 and 3 of the statutes are repealed.

SECTION 13. 23.14 of the statutes is repealed.

SECTION 14. 25.17 (14) (intro.) of the statutes is amended to read:

25.17 (14) (intro.) The state teachers retirement system, the Wisconsin retirement fund, and each teachers ~~annuity and~~ retirement fund in cities of the 1st class shall annually, within a reasonable time after the respective fiscal year end of each, make and file with the state of Wisconsin investment board a report of the value of the assets of such fund determined as of the last preceding fiscal year end upon the following basis:

SECTION 15. Title VI of the statutes is amended to read:

TITLE VI.

EDUCATIONAL, ~~CULTURAL AND MEMORIAL~~ INSTITUTIONS.

(to precede chapter 36 of the statutes)

SECTION 16. Title VI-A of the statutes is created to read:

TITLE VI-A.

EMPLOYE TRUST FUNDS.

(to precede chapter 40 of the statutes)

SECTION 17. Chapter 40 (title) of the statutes is created to read:

CHAPTER 40.

GENERAL TRUST FUNDS FOR PUBLIC EMPLOYEES.

SECTION 18. Subchapter II (title) of chapter 40 of the statutes is created to read:

SUBCHAPTER II.

GROUP INSURANCE.

(to precede section 40.10 of the statutes)

SECTION 19. 40.10 (2) (intro.) of the statutes is created to read:

40.10 (2) METHOD. The group insurance provided under this subchapter shall be administered in conformity with the rules prescribed by the board.

SECTION 20. 40.10 (2) (a) (intro.) of the statutes, as renumbered, is amended to read:

40.10 (2) (a) (intro.) The *group insurance* board ~~is empowered to~~ *may* take any action deemed advisable and not specifically prohibited, or delegated to some other governmental agency, to carry out the purpose of this section, including, without limitation because of enumeration, rules and actions relating to:

SECTION 21. 40.10 (2) (c) of the statutes is created to read:

40.10 (2) (c) The group life and health insurance fund shall be construed to be a trust and each member of the group insurance board shall be deemed a trustee.

SECTION 22. 40.11 (intro.) of the statutes is created to read:

40.11 DEFINITIONS. In this subchapter:

SECTION 23. 40.11 (1) of the statutes is created to read:

40.11 (1) "Board" means the group insurance board.

SECTION 24. 40.11 (2) (a) (intro.), 2 and (3), as renumbered, are amended to read:

40.11 (2) (a) (intro.) Whose name appears on a regular payroll of the state or any ~~board, commission or other unit~~ agency controlled by the state, or who is a national guard technician, and who:

2. Is occupying a state position under the Wisconsin retirement fund, the state ~~teachers'~~ *teachers* retirement system or the conservation ~~warden~~ *wardens* pension fund and is currently included under such retirement plan in such position or is a member or employe of the legislature, governor, lieutenant governor, secretary of state, state treasurer, attorney general, state superintendent of public instruction, justices of the supreme court, circuit judge, chief clerk or sergeant at arms of the senate or

assembly. Persons occupying a state position under the state ~~teachers'~~ ~~teachers'~~ retirement system shall not qualify until membership thereunder aggregates 6 months, unless previously a participating employe under the Wisconsin retirement fund.

(3) "Immediate annuity" means an annuity or pension under the Wisconsin retirement fund or the state teachers retirement system or the conservation ~~warden~~ ~~wardens~~ pension fund which begins to accrue not later than one month after termination of employment.

SECTION 25. 40.15 (1), 40.16 (1), 40.17, 40.18 (1) and (2), 40.20 (4) and 40.22, as renumbered, are amended to read:

40.15 (1) There shall be withheld from the earnings payment of each insured employe under the age of 65 and from retirement benefits paid to annuitants under age 65 pursuant to ~~par. (ee)~~ ~~sub. (4)~~ the sum approved by the board, which shall not exceed 60 cents for each \$1,000 of his group life insurance under this ~~section~~ ~~subchapter~~, based upon the last amount of insurance in force during the month for which such earnings are paid. The equivalent premium may be fixed by the board if the annual compensation is paid in other than 12 monthly instalments. Such withholdings shall be remitted to the ~~director~~ ~~board~~ by the respective ~~boards~~, departments or ~~other units~~ ~~agencies~~ in which such employes are employed and by the respective retirement systems for insured annuitants, in the manner and within the time limit fixed by rule. All money received by the ~~director pursuant to board~~ ~~under this section subchapter~~ shall be deposited with the state treasurer to the credit of s. 20.515 (2) (r).

40.16 (1) There shall be withheld from the earnings payment of each insured employe and from the retirement benefit of each insured retired employe (if the annuity is sufficient) the amounts of premium and at the time fixed by the board. Such withholdings shall be remitted by the respective ~~boards~~, departments or ~~other units~~ ~~agencies~~ in which such employes are employed, and by the respective retirement systems from which insured annuitants are paid, in the manner and within the time limit fixed by rule.

40.17 For the insurance premium withholding purposes of this section an insured state employe on more than one state payroll or paid from more than one appropriation shall have premium deductions made only under that ~~department~~, agency or appropriation from which he receives the greater portion of his earnings. For purposes of state contributions s. 20.904 shall be applicable.

40.18 (1) An insured employe may at any time cancel his life or health insurance by filing a waiver of such coverage with his employing office; similarly an insured retired employe may at any time cancel his life or health insurance by filing a waiver of such coverage with the office of his retirement system. Such waiver shall be transmitted forthwith to the ~~director~~ ~~board~~. Such waiver shall be effective and such insurance shall cease at the end of the calendar month which begins after the waiver is received by such office.

(2) The life and health insurance shall terminate as provided in the contract or contracts therefor, which contract or contracts shall also provide an option for an employe to convert insurance coverage upon termination of employment if covered by such insurance during the entire 6 months preceding termination or if covered by such insurance from the initial effective date established ~~pursuant to subs. (15) (e) and (20) (e), respectively~~ ~~under s. 40.20 (4)~~, to the date of termination, and provided that such employe has been employed by the same municipality for 6 months prior to termination.

40.20 (4) The governing body of any municipality may elect to provide group life insurance pursuant to this section for the employes thereof by the adoption of a resolution in the form prescribed by the

board. A certified copy of such resolution shall be filed with the ~~director~~ board and if received on or before November 15 in any year shall be effective as of the beginning of the ensuing calendar year.

40.22 (1) Whenever any municipality fails to remit within the period fixed by rules promulgated by the board any sum payable pursuant to this ~~section~~ subchapter or any interest or minimum fee due under the rules the ~~director~~ shall certify such amount or the estimated amount thereof shall be certified to the ~~director~~ of finance department of administration and such shall be included in the next apportionment of state special charges to local units of government and such shall be credited to the board. When the exact amount due is determined and the board has received from any municipality a sum in excess of such amount, the board shall pay such excess amount to the municipality.

(2) If any municipality fails to transmit any report required by this ~~section~~ subchapter or by rule established pursuant thereto within 30 days after the date prescribed therefor, the ~~director~~ board shall cause such report to be prepared and furnished. Thereupon the ~~director~~ board shall submit to said the municipality a statement of the expenses incurred in securing such report, including the value of the personal services rendered in the preparation of the same, and shall file a certified copy of such statement in with the office of the ~~director~~ of finance department of administration. Within 60 days after the receipt of the above statement by the municipality such statement shall be audited as other claims against the municipality are audited and shall be paid into the state treasury and credited to the appropriation made by s. 20.515 (1) (a). In default of payment by the municipality, the amount specified in the as aforesaid statement shall become a special charge against the municipality and shall be included in the next apportionment of state special charges and shall be collected, with interest at the rate of 10% per annum from the date such statement was submitted to the municipality, as other charges are certified and collected, and when so collected such amount and said interest shall be credited to the appropriation made by s. 20.515 (1) (a).

SECTION 26. Subchapter VI (title) of chapter 40 of the statutes is created to read:

SUBCHAPTER VI.

SOCIAL SECURITY FOR PUBLIC EMPLOYEES.

(to precede section 40.40 of the statutes)

SECTION 27. 40.40 to 40.43 of the statutes are created to read:

40.40 SOCIAL SECURITY FOR PUBLIC EMPLOYEES; DEFINITIONS.

In this subchapter:

(1) "Public agency" means the state and any county, city, village, town, school district or other unit of government, or agency or instrumentality of 2 or more thereof which is eligible for inclusion under the federal OASDHI system.

(2) With respect to members of the state teachers retirement system "public agency" means the state, except that for the purposes of s. 40.42 (2), and the applicable portions of s. 40.42 (3) to (5) "public agency" means the employer school district or other local unit of government.

(3) With respect to members of the teachers retirement fund in a city of the 1st class, "public agency" means the state, except that for purposes of s. 40.42 (2) and the applicable portions of s. 40.42 (3) to (5) "public agency" means a city of the 1st class.

(4) "Federal regulations" means the provisions of section 218 of Title II of the social security act enacted by the congress of the United States, and applicable regulations adopted pursuant thereto, and applicable provisions of the U.S. internal revenue code. "OASDHI" means federal old age, survivors, disability and health insurance under Titles II and XVIII of the federal social security act.

(5) "Coverage group" has the meaning given that term by federal regulations.

(6) "Secretary" means the secretary of employe trust funds.

(7) "Director" means the director of the bureau which is responsible for the administration of the public employes social security fund.

40.41 COVERAGE. (1) Each public agency other than the state may determine to be included under OASDHI through the adoption of a resolution by the governing body thereof with respect to the coverage groups specified in such resolution, which shall also state the effective date of coverage.

(2) Every state employe and state officer while employed in any position which is not included under any retirement system established by statute is included under the agreement authorized by sub. (9) if eligible for inclusion, and all participating municipalities which have acted pursuant to s. 41.05 to be included under the Wisconsin retirement fund are included when the participating employes thereof are eligible, and each city and village is pursuant to ss. 62.13 (9) (e) and (9a) and 61.65 (6) included under the agreement as to policemen, and each public agency affected by s. 41.05 (8) (b) is pursuant thereto included under the agreement as to the employes affected by such paragraph. This subsection is not applicable to services performed in any fireman's position.

(3) Notwithstanding subs. (1), (2) and (9), the persons included under any retirement system, or any coverage group therein permitted under federal regulations, may be included under the federal OASDHI system pursuant to a referendum held in conformity with section 218 (d) (3) of the federal social security act and a certification by the governor pursuant thereto, and the governor may take any and all actions which may be required in connection therewith. In the case of each public agency other than the state, a referendum shall be conducted only upon, and in conformity with, a request submitted by the governing body thereof. The agreement with the secretary of health, education and welfare may be modified to cover any such coverage group.

(4) For the purposes of sub. (3) the members of the combined group of the state teachers retirement system constitute a coverage group. Members of the state teachers retirement system may be included under the federal OASDHI system under sub. (3) only in accordance with s. 42.241.

(5) Effective April 1, 1966, with the exception of the exclusions under sub. (10) the only exclusions covering positions not under a retirement system which shall be in effect under the state-federal agreement pursuant to action taken under sub. (1) shall be those exclusions which are mandatory under federal regulations.

(6) For the purposes of sub. (3) the members of the combined group of a retirement fund created under s. 42.72 constitute a coverage group. Members of any such retirement fund may be included under the federal OASDHI system under sub. (3) only in accordance with s. 42.72.

(7) Effective July 1, 1966, all services performed by teachers in positions covered by the retirement systems under ch. 42, but who are ineligible to be members of such retirement system, shall be covered under the federal OASDHI system if such coverage is not prohibited by federal regulations. This shall not affect the status of members of the separate group of a retirement system under ch. 42 who became members of the separate group by reason of eligibility for a choice in 1957 pursuant to s. 38.24 (3) (d), 1967 Stats. or 42.241 (4), 1967 Stats.

(8) All persons included under the conservation wardens pension fund are subject to this section.

(9) The director with the approval of the secretary shall, pursuant to sub. (2) or upon the submission to him of a certified copy of a resolution adopted by the governing body of any public agency in accordance with sub. (1), execute upon behalf of the state an agreement or modification

of an agreement, with the secretary of health, education and welfare for the inclusion of a coverage group of the employes and officers of such public agency under the federal OASDHI system established by federal regulations in conformity with such resolution or in conformity with sub. (2) and in conformity with federal regulations. The state and each public agency included under such agreement or modification thereof shall be bound by federal regulations, and by rules promulgated under s. 40.43 including any rule requiring payment of interest.

(10) No student or member of a board or commission, except members of governing bodies, shall be included under such agreement when filling a position or office which does not normally require actual performance of duty for at least 600 hours in each year.

40.42 FINANCIAL PARTICIPATION. (1) Each public agency included under an agreement made pursuant to this section shall be liable for and shall make the contributions required of an employer under federal regulations.

(2) Each public agency included under such an agreement shall withhold from the persons compensated by such public agency who are covered by such agreement the portion of such compensation required to be withheld under the federal regulations.

(3) The contributions required under sub. (1) and the amounts withheld under sub. (2) shall be remitted by each public agency in conformity with rules promulgated under s. 40.43. The state shall be liable for all such remittances due from public agencies in conformity with the agreement under s. 40.41 (9), and shall make payment of all sums which are due under this subsection and become delinquent.

(4) Whenever any public agency fails to remit within the period fixed by rules promulgated under s. 40.43 any sum payable under sub. (3) or any interest or minimum fee due under the rules, such amount or the estimated amount thereof shall be certified to the department of administration and such shall be included in the next apportionment of state special charges to local units of government. When the exact amount due is determined and the fund has received from any public agency a sum in excess of such amount, the fund shall pay such excess amount to the public agency.

(5) If any public agency fails to transmit any report which it is required to submit by law or by any rule established pursuant thereto for 30 days after the date such report is due, the secretary shall cause such report to be prepared and furnished to him. Thereupon the secretary shall submit to said public agency a statement of the expenses incurred in securing such report, including the value of the personal services rendered in the preparation of the same. Duplicates of such statement shall be filed with the department of administration. Within 60 days after the receipt of the above statement by the public agency such statement shall be audited as other claims against the public agency are audited and shall be paid into the state treasury and credited to the appropriation made by s. 20.515 (2) (t). In default of payment by the public agency, the amount specified as aforesaid shall become a special charge against the public agency and shall be included in the next certification of state taxes and charges and shall be collected, with interest at the rate of 10% per annum from the date such statement was submitted to the public agency, as other charges are certified and collected, and when so collected such amount and said interest shall be credited to the appropriation made by s. 20.515 (2) (t).

(6) All money received by the state under this subchapter shall be deposited with the state treasurer in a separate fund which shall be designated the "public employes social security fund".

(7) Any money paid into the public employes social security fund in error may be refunded upon certification to the department of adminis-

tration of the name of each public agency entitled to a refund and the amount thereof. Thereupon, and notwithstanding s. 20.913, the department of administration shall draw its warrant for the amount and in favor of the public agency so certified, and the state treasurer shall pay the same and charge it to the public employes social security fund created by sub. (6).

40.43 RULES. The secretary may promulgate rules to carry out the purposes of this subchapter.

SECTION 28. Chapter 41 (title) of the statutes is created to read:

CHAPTER 41.

PUBLIC EMPLOYES RETIREMENT (EXCEPT TEACHERS).

SECTION 29. Subchapter 1 (title) of chapter 41 of the statutes is created to read:

SUBCHAPTER I.

WISCONSIN RETIREMENT FUND.

(to precede section 41.01 of the statutes)

SECTION 30. 41.02 (intro.) of the statutes is created to read:

41.02 DEFINITIONS. In this subchapter:

SECTION 31. 41.02 (1) and (2) of the statutes are created to read:

41.02 (1) "Director" means director of the bureau which is responsible for the administration of the Wisconsin retirement fund.

(2) "Board" means the Wisconsin retirement fund board.

SECTION 32. 41.02 (11) (d), (12) (b) and (c) and (29) of the statutes, as renumbered, are amended to read:

41.02 (11) (d) Each participating municipality and each state ~~constitu-~~
~~tional office, department, independent agency and commissioner~~ shall
certify to the fund on July 1, 1969, and quarterly thereafter, in ~~such~~ *the*
manner ~~as is~~ prescribed by the board, the names of all participating
employes classified as protective occupation participants determined in
accordance with this subsection. An employe may contest the certification
because of its inclusion or omission of his name by filing an appeal to the
board. The board may investigate the relevant facts and may, on request
of either party, hold a hearing. Upon completion of its investigation and
hearing, if any, the board shall make a determination which it shall cer-
tify to the participating municipality or the appropriate state agency.
The board's determination of an employe's status under this section shall
remain in effect until receipt by the board of certifications changing it,
which may in turn be subject to appeal hereunder.

(12) (b) Who are contributing to any policemen's or firemen's pension
fund by virtue of s. 61.65 or 62.13 (9), (9a) or (10), ~~except that any such~~
~~person may, by written notice filed with the city or village clerk, irrevocably~~
~~renewe~~ all present, future and contingent benefits under s. 61.65 or 62.13
(9), (9a) or (10), ~~after which such person shall be exclusively under the Wis-~~
~~consin retirement fund as long as he is otherwise eligible thereunder.~~

(c) Who are contributing to the conservation ~~warden~~ *wardens* pen-
sion fund ~~created by section 23.14, except that any such person who prior~~
to January 1, 1948, ~~any such person may, by written notice filed with both~~
~~the trustees of the conservation warden pension fund and the conservation~~
~~commission irrevocably renewe~~ *renounced in accordance with law* all
present, future and contingent benefits under the provisions of section 23.14,
in which case, effective January 1, 1948, such person shall be exclusively under
the Wisconsin retirement fund as long as he is eligible *thereunder such fund*.

(29) "Governing body" means the ~~council or~~ common council in cities,
the village board in villages, the town board in towns, the county board
in counties, *the school boards board in common school districts or high school*
~~districts, joint county city hospital board, joint sewerage commission, or metro-~~

~~politan sewerage commission, or town board, except as to schools in a city school district, or the board of, commission or other governing body having the final authority for any other unit of government or for any agency or instrumentality of 2 or more units of government, or any agent duly appointed by any such body and designated in a written notice filed with the board as being authorized to act for any such body in matters pertaining to the fund. For the state there shall be a governing body for each constitutional office, department, board or commission thereof and independent agency, the court administrator and the legislature which governing body shall be, for each such department, board or commission, the respective head thereof, who shall be certified in writing to the board of trustees by the director of the bureau of personnel for the state, except as provided in s. 256.54 (7) of such state unit. The head of each any such state department unit may, in a written designation filed with the board, name a departmental an employe of the unit to act for him in all matters pertaining to the fund.~~

SECTION 33. 41.03 and 41.04 of the statutes are created to read:

41.03 WISCONSIN RETIREMENT FUND BOARD. (1) (a) The Wisconsin retirement fund shall be construed to be a trust and each member of the Wisconsin retirement fund board shall be deemed a trustee.

(b) Any member of the board shall cease to be a member of the board upon losing the status upon which his appointment was based.

(2) (a) The director may correct any annuity or benefit if the total amount of any such correction shall not exceed \$5 for any benefit or monthly annuity. The director shall report all such corrections at the subsequent meeting of the board.

(b) The director shall be in charge of the technical administration of the fund and shall have such additional powers and duties as are properly delegated by the board.

(3) The department of justice shall furnish legal counsel and shall prosecute or defend all actions brought by or against the board.

(4) The state treasurer shall be the treasurer of the fund and shall be responsible for the proper handling of all the assets of the fund in accordance with this subchapter.

41.04 POWERS AND DUTIES. (1) The board shall:

(a) Mail notice of each meeting to each trustee at least 5 days prior to the meeting.

(b) Consider and pass on all applications for annuities and benefits, authorize the payments of all annuities and benefits and terminate any such payment, all in accordance with ss. 41.01 to 41.22. Separation benefits, death benefits, retirement annuities and beneficiary annuities may be processed and paid upon the approval of the director and the actuary but no such annuity shall be continued beyond the date of the meeting of the board next following the first payment thereof unless the payment of the annuity is then authorized by the board. The director with the approval of the legal advisor may suspend an annuity pending final action by the board when in their judgment the annuitant is not eligible to receive such annuity.

(c) Certify all normal employe and municipality contribution rates and the prescribed rate of interest as certified in writing by the actuary and notify all participating municipalities thereof.

(d) Approve the tables to be used for computing annuities and benefits after certification thereof in writing by the actuary.

(e) Have the accounts of this fund audited at least annually by the legislative audit bureau.

(f) Submit an annual statement to the governing body of each participating municipality, and to any participating employe upon request, as soon after the end of each calendar year as possible. Such statement shall include a balance sheet, showing the financial and actuarial condi-

tion of the fund as of the end of the calendar year, a statement of receipts and disbursements during such year, a statement showing changes in the assets, liability, reserve and surplus accounts during such year, information as to investments and such additional statistics as are deemed necessary for a proper interpretation of the condition of the fund. Upon written request a detailed statement of investments shall be available to each participant or participating municipality.

(g) Submit once each year to each participant currently making contributions a statement of his account together with appropriate explanatory material, and furnish such statement and explanatory material to any other participant upon request.

(h) Determine and direct the investment board and the state treasurer as to the limitations on the amounts of cash to be invested in order to maintain such cash balances as are deemed advisable to meet current annuity, benefit and expense requirements and the general policy to be followed with respect to investments of the fund.

(i) Keep a permanent record of all the proceedings of the board.

(j) Select an actuary or an actuarial firm under a contractual agreement for the purpose of carrying out the necessary actuarial requirements of the fund, and employ or select such additional administrative, clerical, medical, legal and other employes or independent contractors as shall be required for the administration of the fund. The actuary shall be the technical advisor of the board and in addition to general advice he shall:

1. Make a general investigation immediately upon the establishment of the fund and at least once every 3 years thereafter of the experience of the fund as to mortality, disability, retirement, separation, interest and employe earnings rates and to certify as a result of each such investigation, the tables to be used for computing annuities and benefits and for determining the premiums for disability purposes, and the prescribed rate of interest.

2. Determine the proper rates of municipality contributions under s. 41.10.

3. Make an annual valuation of the liabilities and reserves required to pay both present and prospective benefits.

4. Compute and certify the actuarial figures on the annual financial statements of the board.

5. Certify the amounts of each annuity and benefit granted by the board.

6. Advise the board on any matters of an actuarial nature affecting the soundness of the fund or requiring any changes for more satisfactory operation.

(2) The board may:

- (a) Compel witnesses to attend meetings and to testify upon any necessary matter concerning the fund and allow fees not in excess of the statutory provisions.

- (b) Request such information from any participating employe or from any participating municipality as is necessary for the proper operation of the fund.

- (c) Determine the length of prior service from such information as is available. Any such determination shall be conclusive as to any such period of service unless within 2 years of the issuance of the first individual statement to any employe the board reconsiders any such case and changes the determination. Notwithstanding the foregoing provisions of this paragraph, in any case where the determination of prior service credits has been made and such 2 years have expired, the board may change such determination provided the municipality certifies that such determination was the result of a purely clerical or typographical mistake and produces adequate supporting information.

(d) Accept any gift, grant or bequest of any money or property of any kind, for the purposes designated by the grantor if such purpose is specified as providing cash benefits to some or all of the participating employes or annuitants of this fund; or, if no such purposes are designated, then for the purpose of distribution to all of the participating employes at the end of the year in the same proportion as the interest at the effective rate is allocated for the year.

(e) Establish rules for the efficient administration of the fund and make, amend or repeal rules which change the time or period within which or by which or for which reports must be made or other acts must be performed.

(f) Carry on any reasonable activities deemed necessary to carry out the intent and purpose of this fund in accordance with this subchapter.

(g) Delegate powers and duties as deemed necessary or desirable.

SECTION 34. 41.05 (9) (b) 2 and 3, as renumbered, are amended to read:

41.05 (9) (b) 2. In determining the average county mill tax levy for any calendar year for said fund the ~~executive~~ director of the fund shall base such computation upon a certification by the department of ~~taxation~~ *revenue* as to the total equalized valuation for general property taxes in each county under said fund collected in the calendar year for which municipality contributions are paid. Such average county mill tax levy shall be computed by comparing the aggregate municipality contributions for such year to the aggregate equalized valuation of such counties as above indicated and the rate for retirement purposes for each county shall be determined by dividing its municipality contribution by the equalized valuation for general property taxes of such county.

3. The ~~executive~~ director of said fund shall annually certify to the department of ~~administration~~ *revenue* for payment to the counties out of the appropriation provided by s. 20.855 (2) (a) such amounts as each county is entitled to receive pursuant to this subsection for excess costs incurred for said fund contributions in the preceding calendar year, but no county shall be entitled to reimbursement for any calendar year prior to 1962.

SECTION 35. 41.07 (2) of the statutes is created to read:

41.07 (2) CONTRIBUTIONS BY EMPLOYES, MUNICIPALITIES, STATE. Each participating employe shall make contributions to the fund as follows:

(a) Effective for participating earnings paid on or after January 1, 1966;

1. For each employe not otherwise specified, $4\frac{1}{2}\%$ of such earnings which are subject to contributions under the federal OASDHI system, plus 7% of such earnings in excess of the amount subject to such contributions.

2. For each participating employe who performs services in connection with an activity carried on cooperatively by the federal government and a participating municipality, which services have been determined not to be subject to the federal OASDHI system, the amount which would be contributed under subd. 1 if such services were subject to the federal OASDHI system.

3. For each supreme court justice, circuit judge, county judge, member of the state legislature and state constitutional officer, 5% of such earnings which are subject to contributions under the federal OASDHI system, plus 7% of such earnings in excess of the amount subject to such contributions.

4. For each protective occupation participant covered by the federal OASDHI system, $5\frac{1}{2}\%$ of such earnings which are subject to contributions under the federal OASDHI system, plus 8% of such earnings in excess of the amount subject to such contributions.

5. For each other protective occupation participant, $7\frac{1}{2}\%$ of such earnings which would be subject to contributions under the federal OASDHI

system if such participant was included in the federal OASDHI system, plus 8% of such earnings in excess of the amount which would be so subject to such contributions.

6. No participating employe shall make normal contributions with respect to such earnings for service in any period subsequent to the end of the calendar quarter year in which he attains the age of 63 years if he is a protective occupation employe, or the age of 70 years otherwise, and there shall be no municipality contribution for the service for which such earnings were paid. Effective for participating earnings paid on or after July 1, 1974, no protective occupation participant shall make normal contributions with respect to such earnings for service in any period subsequent to the end of the calendar quarter year in which he attains the age of 58 years, and there shall be no municipality contribution for the service for which such earnings were paid.

7. Additional contributions of such amount from any payment of earnings as are received for any employe, but not to exceed \$2,000 in any calendar year. Each such amount shall be in even multiples of \$1.

(b) Except as provided in par. (c) or (d) all normal contributions and all additional contributions shall be deducted from each corresponding payment of earnings paid to each participating employe and shall be due and be deposited in the office of the board by the employing municipality not later than the end of the month in which the earnings are paid. The deductions from earnings of participating employes of the state of Wisconsin and the duplicate monthly report of earnings required by the fund shall be due and be deposited in the office of the board by the respective departments, boards or commissions in which such employes are employed not later than the end of the month in which the earnings are paid.

(c) For participating employes other than state employes, in lieu of the contributions required by par. (a), all or part of such contributions may be paid by the employing municipality, but all such payments of contributions shall be reported to the fund in the same manner as though deducted from the earnings of participating employes and shall be treated as though contributed by participating employes, and all such payments of contributions made by the employing municipality shall be available for all retirement fund benefit purposes to the same extent as normal contributions which were deducted from the earnings of such participating employes. Action by any participating municipality to assume employe contributions as provided herein shall be by resolution, adopted by a majority of all the members of the governing body of such participating municipality, and shall be effective on the January 1 following receipt of a certified copy of such resolution by the fund.

(d) Effective for earnings earned after June 30, 1967, by each participating employe of the state, an amount equal to 2% of each payment of earnings shall be paid by the state, in lieu of an equal amount of the contributions required to be made by par. (a). Such payments by the state shall be credited to the account of each participating employe and shall be available for all retirement fund benefit purposes to the same extent as normal contributions which were deducted from the earnings of such participating employes, except that no such amount paid by the state, or interest credits or gains thereon, shall be paid as a separation benefit under s. 41.16. The municipality contribution rate for the state determined in accordance with s. 41.10 shall be adjusted by the director, upon the written recommendation of the actuary, to reflect the difference between the 2% payments by the state as required herein and the equivalent actuarial value thereof. After June 30, 1967, variable annuity segregations related to employe current contributions and state payments under this paragraph shall be made entirely from contributions deducted from the earnings of participating employes. For purposes of computing retire-

ment fund contributions, retirement fund benefits and maintaining accounts, all earnings of state employes earned, but not paid, prior to July 1, 1967, shall be deemed to have been paid prior to July 1, 1967.

SECTION 36. 41.08 (1) (a) 4 of the statutes, as renumbered, is amended to read:

41.08 (1) (a) 4. When any person who was a member of the state employes' retirement system on December 31, 1947, becomes a participating employe under the Wisconsin retirement fund, the board of trustees of ~~said latter fund~~ shall certify such fact to the ~~state of Wisconsin~~ investment board which shall forthwith certify to the ~~said board of trustees~~ *Wisconsin retirement fund board* the total sum to the credit of such person in said former system, including an equitable amount of interest from July 1, 1947, which shall be determined by the ~~state of Wisconsin~~ investment board and by it credited to the respective accounts, indicating the amount attributable to regular contributions and interest, and the amount attributable to additional contributions and interest which ~~board of trustees~~ *Wisconsin retirement fund board* shall thereupon credit the amount attributable to regular contributions and interest and the amount attributable to additional contributions and interest, as an additional credit to an account which shall be established forthwith for such participating employe in the Wisconsin retirement fund. The portion of such additional credit which is attributable to regular contributions and interest under the state employes' retirement system shall be treated as normal credits except that no corresponding municipality credit therefor shall be given pursuant to ~~s. 66.904 (1) (a) subd. 2.~~ Whenever the ~~state of Wisconsin~~ investment board ~~shall make~~ *makes* such a certification, it shall forthwith transfer, by cash payment or sale or assignment of securities from the state employes' retirement fund to the Wisconsin retirement fund, assets equal in value to the total of the amounts so certified. The ~~state of Wisconsin~~ investment board may make a correctional or supplementary certification and corresponding transfer of assets at any time.

SECTION 37. 41.10 (1) (a) and (3) of the statutes, as renumbered, are amended to read:

41.10 (1) (a) Municipality contributions of the percentages, as specified in this section, of each payment of earnings made to each participating employe. Such contributions shall be made by the state from the respective funds from which the salaries are paid to the employe for whom such contributions are being made; the heads of the respective state departments, ~~boards and commissions~~ *and agencies* which make the salary deductions in accordance with s. ~~66.903~~ 41.07 (2) (a) (b) shall, at the time that said salary deductions are sent to the board, by applying the municipality contribution rate of the state to the appropriate portion of the earnings of the respective employes of that department, ~~board or commission~~ *agency*, determine the amount of the corresponding municipality contribution to be made by the proper fund of the state and shall indicate the amount of such contribution on the monthly payroll report submitted in duplicate to the fund. The fund shall transmit one copy of such monthly payroll report to the department of administration together with a voucher for payment to the Wisconsin retirement fund, from the appropriate state funds, of the amounts payable thereto as indicated by the copy of the ~~pay-roll~~ *payroll* reports so submitted. Thereupon the department of administration shall promptly approve such voucher for payment and the state treasurer shall forthwith issue his check therefor to the Wisconsin retirement fund.

(3) Computations of the rates of municipality contributions for each calendar year shall be made from the information available at the time of making such computation and on such assumptions as the actuary recommends and the board approves from time to time. Such rates shall be

come effective, after certification by the board, as of the beginning of the calendar year to which they are applicable and shall remain in effect during such year, except that the ~~executive~~ director upon the written recommendation of the actuary, may change any such rate for any calendar year for the purpose of reflecting in such rate the reduced obligation of any participating municipality which results from the payment of advance contributions pursuant to sub. (1) (b).

SECTION 38. 41.11 (1) (a) of the statutes, as renumbered, is amended to read:

41.11 (1) (a) Any participating employe, except an appointed state officer, who has reached his normal retirement date on the effective date shall be retired at the end of his first calendar quarter year as a participating employe and any participating employe who reaches his normal retirement date shall be retired at the end of the calendar quarter year in which such date occurs, unless written notice is received by the board certifying that the governing body of the municipality by which such employe is employed has specifically authorized such employe to continue in employment for a period not to exceed one year beyond such date, or not to exceed one year beyond the date of expiration of any previous certification date or until the end of the current term if chosen for a definite term, in which event such employe shall be retired at the expiration of the period designated in the last certification for such continuance on file with the board. The election by the voters of any member of a governing body of a participating municipality other than the state shall constitute the notice required pursuant to this paragraph authorizing such elected official to serve for the duration of the term for which he was elected. The employment of a participating employe who is an appointed state officer or a state employe who is the head of a state ~~department, board or commission~~ agency may be continued only upon receipt by the board of such a written notice from his appointing officer, ~~board or commission~~ ~~who~~ ~~of~~ authority which shall act as the governing body under this subsection for the sole purpose of granting such continuances.

SECTION 39. 41.11 (2) of the statutes, as renumbered, is amended to read:

41.11 (2) Each supreme court justice and circuit judge ~~included under this fund~~ who attains age 70 shall be retired ~~at the end of the month in which such age is attained~~ *not later than the July 31 following the date on which he attains the age of 70.* This subsection shall supersede the provisions of sub. (1) for supreme court justices and circuit judges.

SECTION 40. 41.12 (1) (a), (4) (a) and (b), (7) (b) and (10) (b) of the statutes, as renumbered, are amended to read:

41.12 (1) (a) Any participating employe may by written notice to the ~~fund~~ board elect to provide for a variable annuity through a segregation of credits in his account to be accumulated from future contributions. Any person qualifying under s. ~~66.901 (4)~~ 41.02 (6) except par. ~~(d)~~ (c) may file such notice to be effective upon becoming a participating employe. Such notice of segregation is effective as of the beginning of the calendar quarter year following its receipt by the ~~fund~~ board.

(4) (a) Any participating employe who has acted pursuant to sub. (1) may by written notice to the ~~fund~~ board provide that a specified amount of the credits accumulated in accounts in his name pursuant to s. ~~66.904~~ 41.08 (1) (b) be segregated for a variable annuity. The aggregate amount so segregated shall be an even multiple of \$1 and shall not exceed 10 ~~per cent~~ % of the accumulated credits in all his accounts as of the beginning of the calendar year in which the original notice under sub. (1) is effective, except that if the aggregate amount that may be transferred pursuant to par. (b) is less than \$100 the filing of the written notice hereunder shall effectuate the transfer of the entire amount. Such

segregation shall be effective as of the beginning of the calendar quarter year following the receipt by the ~~fund~~ board of such notice and shall be improved with interest for each month of the current year prior to such segregation at one-twelfth of the effective rate of interest for the preceding year but if such notice is received after June 30, 1961, it shall be effective on the January 1 following its receipt. For the purposes of this subsection credits to which a participant is entitled pursuant to s. ~~66.004~~ 41.08 (1) (a) 8 and 9 shall be considered as included in his accumulated credits at the beginning of the calendar year in which his original notice under sub. (1) was effective and any credits which were not segregated for a variable annuity under par. (a) or (b) solely because action entitling participant to credits pursuant to s. ~~66.004~~ 41.08 (1) (a) 8 or 9 was completed after the date as of which such a segregation was effective shall be so segregated as of the beginning of the calendar year following such action.

(b) He may by written notice to the ~~fund~~ board provide for the segregation of credits for a variable annuity in the same manner as under par. (a) in an amount not in excess of the amount computed under the 10 ~~per cent~~ % segregation limit as originally determined under par. (a), but the aggregate segregation of accumulated credits under this subsection shall not exceed 50 ~~per cent~~ % of the accumulated credits in all his accounts as at the beginning of the calendar year in which the original notice under sub. (1) was effective. Not more than one segregation under this subsection shall be made effective in any one calendar year.

(7) (b) The value of all securities and of uninvested funds of the variable annuity division shall notwithstanding s. ~~66.016~~ 41.20 (2) be determined periodically on the basis of their then market value at intervals specified in the rules. The market value shall be the value certified by the ~~Wisconsin~~ investment board. For listed securities such shall be determined as of the close of the final market day at the end of the period; for unlisted securities it shall be determined to be the bid price; for real estate it shall be determined to be the value as appraised at intervals fixed by the *Wisconsin retirement fund* board of ~~trustees~~. The net gain of the variable annuity division for any period shall be the excess of 1. the increase within the period in the value of the assets of the variable annuity division resulting from income from the investments thereof and from the sale or the appreciation in value of any investment thereof; over 2. the decrease within the period in the value of such assets resulting from the investment expenses of the variable annuity division and from the sale or the depreciation in value of any investments thereof. If the decrease exceeds the increase the amount of such excess shall be the net loss of the variable annuity division for the period.

(10) (b) In conformity with the rules ~~the executive director shall certify to the department of administration~~ the rates of increase or decrease in the variable annuities previously approved ~~shall be certified to the department of administration~~, and the department of administration shall make payments accordingly until a new certification is made.

SECTION 41. 41.13 (2) (a) 1 of the statutes, as renumbered, is amended to read:

41.13 (2) (a) 1. Any protective occupation participant who is a participating employe who has not attained age 60, but after June 30, 1969, who has not attained age 55, and any other participating employe who has not attained age 65 and is totally disabled, either mentally or physically, by a disability which is likely to be permanent. A person shall not be deemed to be disqualified solely because he is able to perform the duties of any position for which the compensation does not exceed \$1,200 in any calendar year. "Totally disabled" means inability to engage in any substantial gainful activity by reason of any medically determinable

physical or mental impairment which can be expected to result in death or to be of permanent duration. The participating municipality shall certify to the ~~fund~~ board that the participating employe is unable to continue in employment because of a total disability of such a nature as to reasonably prevent performance of the duties of any position and as a consequence is not entitled to any earnings from such municipality. For the purposes of this subsection a participant shall, within the limitations of s. ~~66.003~~ 41.07 (1) (b), be considered to be a participating employe on leave of absence, notwithstanding the fact that no formal leave of absence is in effect, if no other employment has intervened since service for the participating municipality and if the termination of active service for the participating municipality was due to such disability. For the purposes of this subsection a participant who is an official elected by the voters shall be considered as a participating employe for 30 days after the cessation of his earnings as an elected official.

SECTION 42. 41.13 (3) (d) of the statutes, as renumbered, is amended to read:

41.13 (3) (d) A person who claims to be disabled as provided herein, may make written application to the ~~Wisconsin~~ retirement fund board for benefits hereunder. The board shall make an investigation including examination of medical reports, and shall make a preliminary report as to whether or not a special disability benefit shall be granted. A copy of the report shall be served by mail on the applicant and on the municipality employing him.

SECTION 43. 41.18 (1) and (4) of the statutes, as renumbered, are amended to read:

41.18 (1) All money received by the board shall immediately be deposited with the state treasurer for the account of the fund. All disbursements shall be made ~~only upon certification of the executive director~~ pursuant to authorization by the board as properly recorded in the official minute books of the meetings of the board, except that disbursements for securities purchased and the payment of accrued interest thereon and for any other investments shall be made upon certification of the ~~state of Wisconsin~~ investment board.

(4) The fund may refund any money paid in error into the fund. To effect such a refund ~~the executive director shall certify to the department of administration~~ the name of each person or municipality entitled to a refund and the amount thereof ~~shall be certified to the department of administration~~. Thereupon and notwithstanding s. 20.913, the department of administration shall draw its warrant for the amount and in favor of the person or municipality so certified, and the state treasurer shall pay the same and charge it to the appropriation made by s. 20.515 (1) (t).

SECTION 44. 41.19 (2) (c) of the statutes, as renumbered, is amended to read:

41.19 (2) (c) Any such interest chargeable on employe and municipality contributions from a department, ~~board or commission or agency~~ of the state shall be payable if the monthly ~~pay-roll~~ payroll report provided for by s. ~~66.003 (2) (c)~~ 41.07 (2) (b) is not received by the fund on or before the twentieth day of the calendar month following the due date; when any such interest is payable the board of trustees shall certify the amount thereof with an explanation of such charge, together with a voucher in payment therefor to the department of administration which shall forthwith approve such voucher and charge the same to the appropriation of the department, board or commission which failed to submit its ~~pay-roll~~ payroll report to the board of trustees on time. The state treasurer shall forthwith issue his ~~check or~~ checks therefor to the Wisconsin retirement fund.

SECTION 45. 41.21 (1a) and (1b) of the statutes, as renumbered, are amended to read:

41.21 (1a) Whenever any participating municipality shall fail to pay to the board any of the amounts specified in sub. (1), the board ~~may authorize the executive director to~~ shall certify such amount or the estimated amount thereof to the department of administration which shall withhold such amount or estimated amount from the next apportionment or apportionments of state aids or taxes of any kind payable to such participating municipality and shall pay the amount so withheld to the fund. When the exact amount due is determined and the fund shall have received a sum in excess of such amount the fund shall pay such excess amount to the participating municipality from whose aid such excess was withheld.

(1b) If any participating municipality shall fail to transmit to the fund any report which it is required to submit thereto by law or by any rule or regulation established pursuant thereto for 30 days after the date when such report is due, the ~~executive director~~ board shall cause such report to be prepared and furnished to the fund. Thereupon the ~~fund~~ board shall submit to said participating municipality a statement of the expenses incurred in securing such report, including the value of the personal services rendered in the preparation of the same. Duplicates of such statement shall be filed in the office of the department of administration. Within 60 days after the receipt of the above statement by the participating municipality such statement shall be audited as other claims against the municipality are audited and shall be paid into the state treasury and credited to the appropriation made by s. 20.515 (1) (t). In default of payment by the participating municipality, the amount specified in the aforesaid statement shall become a special charge against the participating municipality and shall be included in the next certification of state taxes and charges and shall be collected, with interest at the rate of 10% per annum from the date such statement was submitted to the participating municipality, as other charges are certified and collected, and when so collected such amount and said interest shall be credited to the appropriation made by s. 20.515 (1) (t).

SECTION 46. Subchapter II of chapter 41 of the statutes is created to read:

SUBCHAPTER II.

CONSERVATION WARDENS PENSION FUND.

(to precede section 41.30 of the statutes)

41.30 DEFINITIONS. In this subchapter:

(1) "Fund" means the conservation wardens pension fund.
(2) "Board" means the conservation wardens pension board.
(3) (a) "Conservation warden" means only those persons classified by the department of administration as conservation wardens, whose salaries and expenses are paid by the department of natural resources and whose permanent appointments as conservation wardens have been approved by that department.

(b) If any person, who is employed for 10 years or longer as a conservation warden and who, thereafter, is transferred to any other position in the department of natural resources, fulfills all the other requisites of this subchapter, he is eligible to receive the benefits under this subchapter. Such person shall continue to pay into the wardens pension fund a sum equal to 5% of his monthly salary as an employe of the department of natural resources. After such person completes 25 years of combined employment service in the department of natural resources, and has attained the age of 55 years, he is eligible to receive a pension monthly of a sum equal to 2% of his average monthly compensation for the last 3 years preceding his retirement or discharge for each year or ma-

major fraction thereof of service prior to 1955 and 1.43% thereof for each year or major fraction thereof beginning in 1955, but not to exceed an aggregate of 25 years, but such pension shall not exceed a sum equal to one-half of his average monthly compensation for the last 3 years preceding his retirement or discharge received as an employe of the department of natural resources.

(c) If a person, who was employed as a conservation warden for 10 years or more, and who was transferred to another position in the department of natural resources and who is holding such other position on July 15, 1937, fulfills all the other requisites of this section, he is eligible to receive the benefits of this section by paying before July 1, 1938, into the fund a sum, computed from July 17, 1935, equal to 3% of the last monthly salary earned as conservation warden. Thereafter, the payments shall continue monthly at the same rate until a pension is granted.

41.31 CONSERVATION WARDENS PENSION FUND. (1) A fund shall be set aside for the pension of disabled and superannuated conservation wardens and the widows or orphans of deceased conservation wardens. The state treasurer shall be ex officio treasurer of such fund.

(2) There shall be paid into such fund 5% of the monthly salary of each conservation warden, which shall be deducted by the department of natural resources from such monthly salary.

(3) Effective for salaries earned after June 30, 1967, the state shall deposit, in lieu of an equal amount of the deposits required from each warden under sub. (2), an amount equal to 2% of each conservation warden's salary. Such deposit shall be credited to the account of each warden and shall be available for all benefit purposes to the same extent as normal deposits which are deducted from the earnings of such conservations warden, except that no such amount paid by the state shall be paid under s. 41.35 regarding departure from the state conservation wardens service prior to becoming eligible for retirement. The employer payments determined under s. 41.40 shall be adjusted by the office of the commissioner of insurance to reflect the difference between the 2% payments required herein and the equivalent actuarial value thereof. For purposes of computing pension fund contributions, pension fund benefits, and maintaining accounts, all salaries earned, but not paid, prior to July 1, 1967, shall be deemed to have been paid prior to July 1, 1967.

(4) All fees or emoluments that may be paid or given for or on account of any service of said conservation wardens or any of them, except when allowed to be retained by them by resolution of said board, shall be paid into such fund.

41.32 CONSERVATION WARDENS PENSION BOARD; POWERS AND DUTIES. (1) The board shall:

(a) Have exclusive control and management of the fund created under s. 41.31, except as to investment under s. 41.33, and all money donated, paid or assessed for the relief or pensioning of disabled, superannuated or retired conservation wardens, their widows and children, and the same shall be placed by the state treasurer to the credit of such fund, subject to the orders of the board.

(b) Make rules for the control of the conservation wardens pension fund.

(c) Decide all applications for relief or pension under this subchapter.

(d) Keep a permanent record of all proceedings of the board.

(2) The board may take by grant, gift, devise or bequest, any money, real estate or other valuable things, personal property or right of property, and the same shall be paid into the fund.

(3) The state treasurer shall be the custodian of the conservation wardens pension fund subject to the control and direction of the board and shall keep his books and accounts concerning said fund in such manner as the board directs, rendering an account to the board on July 1 of each year.

(4) All moneys ordered to be paid out of the conservation wardens pension fund to any person shall be paid by the state treasurer only upon warrant drawn by order of the board duly entered in the record of the proceedings of the board. If the fund or any part thereof, by order of the board or otherwise, is deposited in any bank or loaned, all interest on money which is paid or agreed to be paid on account of any such loan or deposit shall belong to and constitute a part of such fund, but nothing herein contained shall be construed as authorizing the treasurer to loan or deposit the fund or any part thereof unless so authorized by the board.

(5) The conservation wardens pension fund shall be construed to be a trust and each member of the conservation wardens pension board shall be deemed a trustee.

41.33 INVESTMENT. The assets of the fund, in excess of the amount of cash required for current operations as determined by the board, shall be invested and reinvested by the investment board under s. 25.17 (1).

41.34 DISABILITY BENEFITS. (1) If any conservation warden, while engaged in the performance of his active duty as such warden, is injured or sick and if found, upon examination by a medical officer ordered by said board, to be physically, mentally or permanently disabled by reason of such injuries or sickness, so as to render necessary his retirement, the board shall retire such disabled member from the service, but no such retirement shall be ordered unless the warden has contracted such disability, or sickness, while in line of duty. Upon such retirement the board shall order payment to such retired member, monthly, from the conservation wardens pension fund, of a sum equal to one-half the monthly salary or compensation received by him immediately prior to his retirement.

(2) If before attaining age 55 a member of this fund becomes unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment, not arising from the performance of his duty, which can be expected to result in death or to be of long-continued and indefinite duration and which has been established on the basis of medical evidence satisfactory to the board, the board shall retire such disabled member from the service. Upon such retirement the board shall order monthly payment to such retired member from the conservation wardens pension fund of the lesser of the following amounts:

(a) Fifty per cent of the members's average monthly compensation during the last 5 years of service; or

(b) One and one-half per cent of the member's average monthly compensation during the last 5 years of service, multiplied by the number of years of service as a member of this fund, determined to the nearest full year, including assumed service during the period between the date of the occurrence of the disability and the date on which the member will attain the age of 65.

(c) Whenever the recipient could upon filing application therefor become entitled to a disability insurance benefit or a primary insurance benefit under the federal OASDHI system, any amount payable under this subsection shall be reduced by 20%.

41.35 RESIGNATIONS. Any conservation warden leaving the state conservation warden service for any cause whatsoever prior to his eligibility for retirement under this subchapter shall receive from the conservation wardens pension fund all amounts he has paid into the fund. If any conservation warden dies prior to his eligibility for retirement under this subchapter, all amounts he has paid into the conservation wardens pension fund shall be paid to his heirs. This section shall apply retroactively to all such retirements and deaths since July 15, 1935.

41.36 DEATH BENEFITS. (1) If any conservation warden, while in the performance of his duty, is killed or dies as the result of an injury received in the line of duty as prescribed in s. 41.34 (1), or if any such

warden after 15 years of service in such department dies from any cause while in the service, or if any member dies from any cause after being retired upon a pension under this subchapter and leaves a widow or minor child, or children under the age of 16 years, the board shall direct the payments from the fund of the following sums monthly: To the widows of conservations wardens \$50; to the guardian of such minor child or children \$8 for each child until it reaches the age of 16 years, and in the case of death of the widow the amount she is entitled to under this section shall be paid to or for the benefit of such minor children of the deceased as are under the age of 16 years, but there shall not be paid to the family of the deceased member a total pension exceeding one-half the amount of monthly salary of such deceased member at the time of his death, or, if a retired member, a sum not exceeding one-half of the monthly salary of such retired member at the date of his retirement or disability. If the pensioner marries after his retirement from service and thereafter dies leaving a widow, such widow shall not be entitled to any relief or pension from such funds.

(2) (a) In the case of any member of the conservation wardens pension fund who dies after December 31, 1957, while in the service of the department of natural resources, his widow and children shall be entitled to a death benefit payable monthly under sub. (1), which is the actuarial equivalent of twice the accumulation which would have resulted from the contributions made by such member under ss. 41.30 (3) (b) and 41.31 (2) if interest had been compounded thereon at the rate of 3% per annum.

(b) Such monthly payments shall not be less than the amount specified in sub. (1), but if such supposed accumulation is sufficient to pay monthly benefits in excess of the amount specified in sub. (1) the additional amount shall be paid as a life annuity to the widow. If there is no widow such additional amount shall be payable monthly as an annuity to the children of such deceased member during their minority or longer, as the board determines. The total amount payable monthly under sub. (1) and this subsection shall not exceed one-half the monthly salary of the deceased member at the time of his death.

(c) The additional death benefit payable to a widow under this subsection may at her option be paid in the manner permitted under the Wisconsin retirement fund by s. 41.15 (4), in lieu of a life annuity.

(d) In determining the actuarial equivalent value of the death benefits under this subsection the board shall apply the annuity rates adopted for use by the Wisconsin retirement fund under subch. I.

41.37 RETIREMENT BENEFITS. If any conservation warden retires after having attained the age of 55 and having served 25 years or more in the department of natural resources, and if any member is discharged after having attained the age of 55 and having served 25 years or more, the board shall order that such member be paid a pension monthly of a sum equal to 2% of his average monthly compensation for the last 3 years preceding his retirement or discharge for each year or major fraction thereof of service prior to 1955 and 1.43% thereof for each year or major fraction thereof beginning in 1955, but not to exceed an aggregate of 25 years, but such pension shall not exceed a sum equal to one-half of his average monthly compensation for the last 3 years preceding his retirement or discharge. No person shall be entitled to receive any benefit from such pension fund other than that described under this subchapter.

41.38 ALTERNATIVE BENEFITS. Notwithstanding any other provisions of this subchapter, any conservation warden, or other member of the conservation wardens pension fund, who is eligible to receive a pension under s. 41.30 (3) (b), 41.34 (1) or 41.37, which pension is to begin before the warden's or other member's 65th birthday, may elect, if he has attained

fully insured status under the federal OASDHI system, in lieu of such pension, to take the actuarial equivalent thereof based on actuarial tables in use by the Wisconsin retirement fund as:

(1) A reduced pension payable monthly for life, plus

(2) A temporary pension payable monthly and terminating with the payment due in the month in which the warden or other member attains age 65. It is the intent of this option that so far as is practicable the aforesaid life pension and temporary pension will be determined in such amounts that the warden's or other member's total anticipated retirement benefits from the fund and from primary social security will be the same both before and after attainment of age 65, assuming that the warden or other member has no further wages credited to his account under the federal OASDHI system after retirement under this subchapter.

41.39 CUT-OFF DATE. No person who prior to January 1, 1948, had not contributed to the conservation wardens pension fund shall be permitted to contribute to such fund or become a member thereof on or after such date; nor shall he or his widow, child or dependent parent be, or become, entitled to receive any benefit from such fund. Any person who, after December 31, 1947, becomes a conservation warden, or who was a conservation warden on that date, but who, in each such case had not, on or before such date, properly contributed to the conservation wardens pension fund, and who can otherwise qualify, shall become a participating employe under subch. I. If any such participating employe is entitled to a prior service credit, he shall be given such credit at the 2 rate.

41.40 ACTUARIAL EXAMINATION. On or before September 1, 1949, and on or before September 1 of each 4th year thereafter, the office of the commissioner of insurance shall cause an actuarial examination of the conservation wardens pension fund to be made. The examination shall determine the approximately equal annual payments necessary to amortize the deficit in the fund over the period ending 40 years from September 17, 1949. The commissioner of insurance shall certify the amount so determined to the department of natural resources and that department shall each year transfer the amount from the conservation fund to the conservation wardens pension fund until a new certification of the amount to be paid is made by the office of the commissioner of insurance, after which the amount transferred shall be in accordance with the new certification.

41.41 PENSIONS NOT SUBJECT TO PROCESS. No portion of the conservation wardens pension fund, either before or after its order of distribution by the board to disabled or superannuated conservation wardens or to the widow or guardian of minor children of such wardens, may be held, seized or taken subject to or detained or levied on by virtue of any attachment, execution, injunction, writ or other order or decree or any process or proceeding whatever, issued out of or by any court of this state for the payment or satisfaction in whole or in part of any debt, damages, claim or judgment against such warden or his widow or the guardian of minor children of any deceased member. An annuitant may, however, direct the fund to deduct premiums for group insurance carried under subch. II of ch. 40 and to pay such moneys to the credit of s. 20.515 (2) (r).

SECTION 47. Subchapter III (title) of chapter 41 of the statutes is created to read:

SUBCHAPTER III.

OLD STATE RETIREMENT SYSTEM.

(to precede section 41.50 of the statutes)

SECTION 48. Chapter 42 (title) of the statutes is repealed and recreated to read:

CHAPTER 42.

TEACHERS RETIREMENT.

SECTION 49. Subchapter (title) of chapter 42 of the statutes is created to read:

SUBCHAPTER I.

STATE TEACHERS RETIREMENT.

(to precede section 42.20 of the statutes)

SECTION 50. 42.20 (1m), (2), (3), (4), (5) and (6r) to (11) of the statutes are renumbered 42.20 (2), (5), (6), (7), (8) and (10) to (16), respectively.

SECTION 51. 42.20 (4) of the statutes is created to read:

42.20 (4) "Director" means the director of the bureau which is responsible for the administration of the system.

SECTION 52. 42.20 (3m) and (6) [Stats. 1967] of the statutes are repealed.

SECTION 53. 42.20 (10) (c) of the statutes, as renumbered, is amended to read:

42.20 (10) (c) Each member shall be a member of the separate group or the combined group, upon completion of the procedures under s. 42.241; ~~except that if less than a majority of the members of the combined group vote in favor of OASDHI coverage in a referendum under s. 42.241 (11), all members shall thereafter be deemed members of the separate group.~~

SECTION 54. 42.20 (12) of the statutes is renumbered 42.20 (17) and amended to read:

42.70 (17) "State college university" means any college university under the control and management of the board of regents of state colleges universities.

SECTION 55. 42.20 (12g) to (17) of the statutes are renumbered 42.20 (18) to (26).

SECTION 56. 42.21 of the statutes is amended to read:

42.21 This act, ~~consisting of ss. 42.20 to 42.54 and all amendments thereto,~~ subchapter shall be known as the "State Teachers' Teachers Retirement Law." The state teachers retirement system hereby established shall be administered by ~~and under~~ the state teachers retirement board.

SECTION 57. 42.22 (1) to (5) of the statutes are repealed.

SECTION 58. 42.22 (4) and (5) of the statutes are created to read:

42.22 (4) The board shall select an actuary or an actuarial firm under a contractual agreement for the purpose of carrying out the necessary actuarial requirements of the system, and employ or select such additional administrative, clerical, medical, legal and other employes or independent contractors as are required for the administration of the system.

(5) The state teachers retirement fund shall be construed to be a trust and each member of the state teachers retirement board shall be deemed a trustee.

SECTION 59. 42.22 (6) and (7) of the statutes are renumbered 42.22 (1) and (2) and amended to read:

42.22 (1) ~~The executive secretary shall have the direction of all employes of the board. He~~ The director may act for the board, pursuant to its direction and under such ~~regulations~~ rules as it may ~~adopt~~ adopts, in all matters concerning the administration of the state teachers retirement system ~~which the board may see fit to delegate to him.~~

(2) The board shall ~~adopt such bylaws and make such~~ rules for the transaction of the business of the state teachers retirement system ~~and for the control of the several funds hereby created and the payment of the benefits hereby provided as it shall deem necessary and proper~~ and shall per-

form all duties necessary or convenient for putting into effect and carrying on the state teachers retirement system.

SECTION 60. 42.22 (8) of the statutes is repealed.

SECTION 61. 42.22 (9) of the statutes is renumbered 42.22 (3).

SECTION 62. 42.23 of the statutes is amended to read:

42.23 The board may refund any money paid in error into any of the funds of the ~~state teachers retirement~~ system, including money paid in error by an employer. To effect such a refund the ~~executive secretary of said board shall certify to the department of administration the name of each person entitled to a refund and the amount thereof shall be certified to the department of administration.~~ Thereupon, and notwithstanding s. 20.913, the department of administration shall draw its warrant for the amount and in favor of the person so certified, and the state treasurer shall pay the same and charge it to the appropriation made by s. 20.515 (2) (u).

SECTION 63. 42.24 of the statutes is amended to read:

42.24 The state treasurer shall be ex officio treasurer of the state teachers retirement system, ~~and shall give an additional bond in such amount and with such corporate sureties as shall be required and approved by the board, the cost of which shall be borne by the board.~~

SECTION 64. 42.241 (4), (5), (6), (7) (a) and (e), (10), (11), (12) and (12a) (a) and (c) of the statutes are amended to read:

42.241 (4) Not later than April 20, 1957, ~~the executive secretary there shall mail or deliver~~ *be mailed or delivered* to each person who is an active member on April 5, 1957, information concerning the contributions, benefits and other features of the 2 groups into which the system is divided under this section, together with an envelope addressed to the system, with postage prepaid, and a form to be signed and returned to the office of the system by each member who desires to become a member of the combined group. A member who chooses to become a member of the combined group shall thereby elect to become subject to the laws relating to the combined group, and the form provided under this subsection shall contain a statement to that effect.

(5) ~~The executive secretary shall certify and file~~ *There shall be certified and filed* with the board and the governor a list of the names and addresses of all members to whom ~~he delivers~~ the materials specified in sub. (4) *are delivered*. Upon being filed, the certified list shall constitute prima facie evidence of compliance with sub. (4).

(6) In lieu of mailing the materials specified in sub. (4) to individual members, ~~the executive secretary may~~ with the approval of the governor ~~mail or deliver~~ sufficient supplies of such materials *may be mailed or delivered* to other responsible persons, who shall deliver such materials to members as specified ~~by the executive secretary~~. Such delivery to the individual members may be accomplished personally, by mail, or by means of a regularly constituted institutional or departmental delivery service. A certificate signed by any such person stating that on the dates specified therein he has so delivered such materials to the members named in a list attached to said certificate, when filed with the board, shall constitute prima facie evidence of compliance with sub. (4) with respect to the members named in such list. Delivery may be made under this subsection as to some members and under sub. (4) as to other members.

(7) (a) Any retired member who has made required deposits based on earnings during 2 or more calendar quarters after December 31, 1954, shall be deemed an active member if before December 1, 1957, he requests that the annuity he is then receiving be discontinued. Such request shall be made on a form furnished for that purpose by the ~~executive secre-~~

tary, who board, and the board shall also inform such retired members of ss. 42.241 and 42.242.

(e) Notwithstanding s. 42.49 (13), any retired member who is employed in a position in which he makes required deposits after August 17, 1957, and before the date on which an agreement is executed extending coverage under OASDHI to the members of the combined group under this section and ~~s. 66.00 subch. VI of ch. 40~~, shall be deemed an active member, his annuity shall be discontinued, and the reserve held in the annuity reserve fund based on accumulations from member's and state deposits, and the reserve held in the contingent fund based on any prior service computation under s. 42.51 or annuity under s. 42.49, of such member, shall be transferred to the retirement deposit fund until an annuity is again granted to such member. Such reserves shall be based on the member's attained age when such funds are transferred. An annuity subsequently granted to any such member shall be in the same optional form as the discontinued annuity. Paragraph (e) shall not apply to members who become active members under this paragraph.

(10) On or before June 9, 1957, the executive secretary there shall certify be certified to the governor the names and addresses of the members of the combined group.

(11) When the executive secretary information required under sub. (10) has been certified to the governor the names and addresses of the members of the combined group under sub. (10), the governor shall forthwith take all actions necessary for the conduct of a referendum under ~~s. 66.00 (3a) s. 40.41 (3)~~, so that the members of the combined group may vote in favor of or against coverage under the federal OASI OASDHI system. If a majority of the members of the combined group vote in favor of such coverage this section (1957) shall be fully operative. If less than a majority vote in favor of such coverage this section (1957) shall not continue in effect and the state teachers retirement system shall not be divided into the separate group and the combined group.

(12) Coverage of members of the combined group under OASDHI shall be effective as of January 1, 1955, or the date on which covered earnings were first paid to any such member, if such date is later. The employer contributions to the public employes social security fund in behalf of such members, for covered employment under OASDHI between January 1, 1955, and the end of the calendar quarter in which the agreement extending such coverage is executed, shall be paid by transferring the amounts necessary to make such payment from the accumulations from state deposits in the account of each such member. The employe contributions for such period shall be paid by transferring the amounts necessary to make such payment from the accumulation from required deposits in the account of each such member. If such accumulations are not sufficient to make such payment the additional amount necessary to make such payment shall be paid from the contingent fund. Such funds shall be transferred pursuant to ~~s. 42.241 (12) under this subsection~~. For the purposes of this subsection covered earnings are earnings upon which required deposits are based.

(12a) (a) The position of any employe who is a member of the separate group and who was eligible to make the choice pursuant to sub. (9) may be transferred to the combined group if, prior to the date of execution of any modification to the agreement with the federal department of health, education and welfare made pursuant to ~~s. 66.00 (3a) s. 40.41 (3)~~ to implement such transfer, the executive secretary of the state teachers retirement system the board receives from such member, not less than 20 calendar days prior to the submission of such modification, a written request for such transfer on a form prescribed by such executive secretary which specifies the school district or other public agency by which such member is then employed, and provided such member occupies a position

covered under the state teachers retirement system at that time and on the date of submission of the modification to the federal department of health, education and welfare. Thereupon such member shall be a member of the combined group.

(c) ~~The executive secretary of the state teachers retirement system board shall certify to the director of the public employes social security fund a list of the public agencies to be included in any such modification.~~

SECTION 65. 42.241 (14) of the statutes is repealed.

SECTION 66. 42.241 (15) of the statutes is amended to read:

42.241 (15) The board shall take such actions as are necessary to complete the inclusion of the members of the combined group of the state teachers retirement system under the federal OASDHI system as provided in this section. Said board shall also deduct from the respective accounts of participants in the state teachers retirement system, and certify to the department of administration, the amounts to be transferred from the state teachers retirement fund to the public employes social security fund to provide for the contributions which will thereby become payable to the federal OASDHI system as employer and employe contributions for such employes as the result of said integration. If payment of said contributions is not made to the federal OASDHI system before any interest or penalty accrues thereon under federal regulations ~~as defined in s. 66.09~~ (1) (b), the board shall pay such interest or penalty and charge the same to the interest income of the state teachers retirement system.

SECTION 67. 42.243 (1) (c) of the statutes is amended to read:

42.243 (1) (c) The term "combined group", as used in this section means the combined group established under s. 42.241, ~~created by chapter 12, laws of 1957.~~

SECTION 68. 42.244 (2) of the statutes is amended to read:

42.244 (2) Not later than January 1, 1966, the ~~executive secretary board~~ shall mail or deliver to each member who is eligible for the election specified in sub. (1) (a) or (b), comparative information concerning the required deposits, benefits and other features applicable to members of the formula group and to members of the group to which such member then belongs, together with an envelope addressed to the system and a form to be signed and returned to the office of the system by each member who desires to become a member of the formula group. A member who elects to become a member of the formula group shall thereby become subject to the laws relating to the formula group, and such election shall constitute a modification of the employment contract of such member, and the form provided herein shall contain a statement to such effect. To be effective, the election form from any member must be received by the office of the state teachers retirement system no later than the close of business on April 1, 1966, but the board may provide for a reasonable extension of such date in individual cases on the basis of unusual or extenuating circumstances; no such extension shall be effective after June 30, 1967. The board may prescribe and take all actions necessary to assure compliance with the expressed intent of this subsection, which is to assure all eligible members an opportunity to make an informed election of membership in the formula group.

SECTION 69. 42.30 of the statutes is amended to read:

42.30 ~~Subject to s. 42.22,~~ The members of each retirement association shall ~~elect~~ appoint their representatives on the board prior to the beginning of their respective terms in such manner and at such time as shall be prescribed in the bylaws of the respective associations. ~~Any vacancy on the board shall be filled by the governor for the unexpired term.~~

SECTION 70. 42.37 (4) of the statutes is amended to read:

42.37 (4) ~~Beginning with the 1967 fiscal year,~~ Furnish once each year

to each member currently making deposits, a statement of his account together with appropriate explanatory material and shall furnish such statement and explanatory material to any other member upon request.

SECTION 71. 42.40 (8) of the statutes is amended to read:

42.40 (8) Effective for compensation earned after June 30, 1967, the state shall deposit, in lieu of an equal amount of the deposits required from each member under any other paragraph of this section for teaching service in the classified service of the state, an amount equal to 2% of the compensation earned for teaching service in the classified service of the state. Such deposit by the state shall be credited to the account of each member in the state classified service and shall be available for all retirement fund benefit purposes to the same extent as normal deposits which are deducted from the earnings of such member, except that no such amount paid by the state, or interest credits or gains thereon, shall be paid as a separation benefit under s. 42.242 (5) or 42.245 (4) or withdrawal benefits under s. 42.49 (1). The employer contribution rates for the state determined in accordance with s. 42.46 shall be adjusted by the executive secretary, upon the written recommendation of the actuary, to reflect the difference between the 2% payments by the state as required herein and the equivalent actuarial value thereof. After June 30, 1967, variable annuity segregations related to current required teacher deposits and state payments under this section, shall be made entirely from deposits deducted from the earnings of members. For purposes of computing retirement fund contributions, retirement fund benefits and maintaining accounts, all compensation of members in the state classified service earned, but not paid, prior to July 1, 1967, shall be deemed to have been paid prior to July 1, 1967.

SECTION 72. 42.41 (1) of the statutes is amended to read:

42.41 (1) Every employer shall deduct and withhold from the compensation as a teacher paid by such employer to each teacher on each payroll for each payroll period such per cent of the compensation of each teacher, as such teacher is required to deposit under s. 42.40. Any person or officer whose duty it is to prepare the payroll for the payment of any said teachers may be required by the board, on each such payroll, to furnish all information necessary for the timely and efficient administration of the system. The executive secretary board shall provide any such person or officer information as to whether a teacher is a member of the separate group, combined group or formula group.

SECTION 73. 42.46 (2) (b) of the statutes is amended to read:

42.46 (2) (b) The board shall certify the contribution rates derived in accordance with par. (a) to the department of administration and shall certify the appropriate contribution rate to each state department, board and commission or agency and each public school employing or paying the salaries of teachers. The heads of the respective state departments, boards and commissions agencies and of each public school which make the salary deductions in accordance with s. 42.40 shall at the time that said the salary deductions are sent to the board, by applying the appropriate retirement association's employer contribution rate to the appropriate portion of the compensation of the respective employes of that department, board, or commission agency, or public school determine the amount of the corresponding state contribution to be made from the proper fund and appropriation of the state and shall indicate the amount of such contribution on the payroll report submitted to the system. The system shall transmit summaries of such payroll reports to the department of administration together with a voucher for payment to the state teachers retirement system, from the appropriate state funds and appropriations of the amounts payable thereto as indicated by the payroll reports. Thereupon the department of administration shall approve such

voucher for payment and the treasurer shall issue his check therefor to the state teachers retirement system.

SECTION 74. 42.49 (10) (c) of the statutes is amended to read:

42.49 (10) (c) The ~~executive secretary of the state teachers retirement system~~ is directed to make the payments under par. (a) or (b) beginning for the month of July, 1957.

SECTION 75. 42.52 (2) of the statutes is amended to read:

42.52 (2) The board may ~~direct the executive secretary to~~ retain from the appropriate annuity or other benefit such amount as ~~the executive secretary may determine it determines~~ to be required for the purpose of reimbursing the system for any money or moneys paid to any annuitant, member, beneficiary or estate as a result of an inadvertent clerical error, misrepresentation or fraud.

SECTION 76. 42.65 of the statutes is renumbered 41.50 and amended to read:

41.50 STATE EMPLOYEES' RETIREMENT SYSTEM. The ~~state of Wisconsin~~ investment board shall certify ~~to the executive director of the Wisconsin retirement fund~~ the ~~names name,~~ address, and amount of the monthly annuity payment for each person eligible to receive an annuity under ss. 42.65 to 42.71, (~~1957 statutes~~) *Stats.*, and shall also transfer ~~to the executive director of the Wisconsin retirement fund~~ all records relating to the state employees' retirement system. Such certification of eligible annuitants and transfer of records shall be made within 20 days after June 30, 1959. It shall be the responsibility of the ~~state of Wisconsin investment board~~ to see that all records so transferred are complete and up to date. The ~~executive director of the Wisconsin retirement fund department of employe trust funds~~ shall pay the ~~said~~ monthly annuities, as provided by s. 20.515 (2) (b), in accordance with the aforesaid certification of the ~~state of Wisconsin~~ investment board. Payment shall be made to the designated beneficiary where such designation under the option elected by the annuitant is on file. It is the intent of this section that each annuity which was being paid in accordance with ss. 42.65 to 42.71, (~~1957 statutes~~) *States.*, shall continue to be paid to ~~the each person or persons who would have been~~ entitled thereto under said statutes.

SECTION 77. 42.66 of the statutes is renumbered 41.51 and 41.51 (3), as renumbered, is amended to read:

41.51 (3) On or before July 20, 1959, the ~~state of Wisconsin~~ investment board shall certify to the state treasurer the names of all persons who had an account in the employees' savings fund of the state employees' retirement fund and the amount of money therein to the credit of each such person. Upon the receipt of such certification the state treasurer shall forthwith publish a notice in the official state paper stating the names of such persons, the respective amounts to their credit, the fact that said amounts have escheated to the common school fund and the fact that said amounts will be paid to the respective owners thereof or their respective heirs or legatees, without interest, on proof of such ownership, if applied for within 5 years from the date of publication, except that if any such person ~~shall be~~ is an infant or under disability, the period of limitation shall be extended to one year after attaining majority or removal of the disability, ~~whichever the case may be.~~

SECTION 78. 42.67 of the statutes is renumbered 41.52 and 41.52 (1) and (2), as renumbered, are amended to read:

41.52 (1) The ~~executive director of the Wisconsin retirement fund department of employe trust funds~~ may retain out of the proper annuity or other benefit such amount as ~~said director may determine to be~~ is necessary for the purpose of reimbursing the fund for any money paid to the an-

nuitant, member, beneficiary or estate through misrepresentation, fraud or error.

(2) In all cases in which any amounts become payable to a minor or to a person adjudged insane, or mentally incompetent, the ~~executive director of the Wisconsin retirement fund~~ *department of employe trust funds* may waive guardianship proceedings, and pay such amounts to the person providing for, or caring for, such minor, or to the wife, parent, or other person providing for, or caring for, such insane or incompetent person.

SECTION 79. 42.68 of the statutes is renumbered 41.53.

SECTION 80. Subchapter II of chapter 42 of the statutes is created to read:

SUBCHAPTER II.

MILWAUKEE TEACHERS RETIREMENT.

42.70 TEACHERS' RETIREMENT FUND. (1) FUNDS. A teachers retirement fund is created in each city of the 1st class. The fund shall consist of:

(a) A reserve fund made up of amounts transferred from the general fund, the state accumulation fund and the retirement deposit fund for the payment of annuities granted pursuant to this section and interest accretions thereto.

(b) A retirement deposit fund, made up of deposits made under s. 42.80 (6) for members of the combined group and s. 42.80 (7) for members of the formula group, and interest accretions thereto.

(c) A state accumulation fund made up of amounts paid by the state on behalf of members of the formula group and interest accretions thereto.

(d) A general fund made up of deposits by teachers, deposits from public sources, gifts and legacies, and amounts received from any other source, together with interest accretions thereto, except such amounts which are paid into the retirement deposit fund.

(2) DEFINITIONS. In this subchapter, unless the context clearly requires otherwise:

(a) "Accumulation" means the total resulting from the addition of interest to required deposits, member's deposits, state deposits or additional deposits.

(b) "Director" means the director of the bureau which is responsible for the administration of any retirement fund created under this subchapter.

(c) "Board" means the teachers retirement board in each city of the 1st class.

(d) "Combined group" means the combined group established under s. 42.72.

(e) "Contribution" means a deposit as defined in par. (f) or an OASDHI contribution.

(f) *Deposits*. 1. "Additional deposit" means any deposit made in the retirement deposit fund by or on behalf of a member, excluding required deposits and state deposits.

2. "Member's deposit" means any deposit made in the retirement deposit fund by or on behalf of a member, excluding the state deposit.

3. "Required deposit" means the reservation made under s. 42.80 from the salary of a teacher.

4. "State deposit" means the deposit made by the state in the retirement deposit fund on behalf of any member.

(g) "Fiscal year" is the year beginning July 1 and ending June 30.

(h) "General fund" means the fund created by sub. (1) (d).

(i) "Interest" means the actual rate earned by deposits.

(k) "Member" means a person who, as the result of having been a

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teacher as defined in par. (q), has a credit in the retirement deposit fund or a reserve in the reserve fund, or who is or may be entitled to a present or future benefit under this subchapter. For the purposes of s. 42.72;

1. "Active member" means a member who is not receiving an annuity under this subchapter and who has made a deposit in the retirement fund based on earnings after August 31, 1956, or is deemed an active member under s. 42.72 (7), or is on a leave of absence from a teaching position in the public schools of a city of the 1st class.

2. "Inactive member" means a member who is not receiving an annuity under this subchapter, who has not made a deposit in the retirement fund based on earnings after August 31, 1956, and is not on a leave of absence from a teaching position in the public schools of a city of the 1st class.

3. "Retired member" means a member who is receiving an annuity under this subchapter.

4. Each member shall be a member of the separate group or the combined group, upon completion of the procedures under s. 42.72.

(m) "OASDHI" means federal old-age, survivors, disability and health insurance, as provided under Title II of the federal social security act.

(n) "Retirement fund" means a teachers retirement fund in a city of the 1st class.

(o) "School year" means the period beginning on July 1 of any year and ending June 30 of the following year.

(p) "Secretary" means secretary of the board.

(q) "Teacher" means all superintendents, principals, supervisors, welfare workers and attendance officers; all high school teacher-librarians having the qualifications of teachers as provided in the statutes and prescribed by the board of school directors, pursuant to s. 43.22 (1m) except assistant or clerk librarians; all employes defined as teachers and made eligible to membership and becoming members of the teachers' retirement fund by ss. 42.95 and 42.96; all regular instructors employed in the public schools of such cities, and instructors of instrumental music classes whose positions normally require actual performance of duty for at least 600 hours in each year; but this paragraph shall not affect the election, appointment or tenure of the superintendent, assistant superintendents, special supervisors, part-time instructors of instrumental music classes or substitute teachers.

(r) "Variable annuity" means any annuity provided by the accumulations in the funds of the variable annuity division resulting from contributions made pursuant to s. 42.76, and constitutes a contract involving life contingencies providing for the dollar amount of benefits or other contractual payments or values under said section to vary so as to reflect differences which may arise between the total value of the annuity reserve for variable annuities and the reserve that would be required if such annuities were fixed annuities.

(s) "Membership teaching" means employment as a teacher in the public schools of a city of the 1st class and shall include any period of teaching service before September 1, 1958, for which a teacher would have received credit under s. 42.81 if he had remained a member of the separate group.

(t) "Final average compensation" means the monthly rate of compensation obtained by dividing: 1) the member's total compensation subject to required deposits and any compensation which would have been subject to required deposits if not exempted pursuant to s. 42.84 (4) for the 5 fiscal years in which such compensation was the highest during the 10 fiscal years preceding both the June 30 nearest the date of termination of his membership teaching and the June 30 following or coincident with

his 70th birthday or July 1, 1966, if later, by 2) 12 times the number of years of his creditable service for such 5 years. If a member has such compensation for less than 5 such fiscal years his final average compensation is the rate obtained by dividing his total compensation for all such years by 12 times the total number of years of his creditable service therefor. Final average compensation shall be determined separately with respect to each separate period of membership teaching. A separate period of membership teaching shall be deemed to have ended each time a member has not engaged in membership teaching for a period in excess of 2 school years, unless on authorized leave of absence, or has been granted an annuity or separation benefit. For purposes of this paragraph and s. 42.78 (1) (b) only, the phrase "2 school years" shall be defined by rule of the board, but in no event shall a period of 2 school years include more than 28 consecutive calendar months.

(u) "Final excess OASDHI compensation" means the monthly rate of compensation obtained by dividing: 1) the member's total compensation for the 5 years or such lesser period determined pursuant to par. (t), in excess of the amounts subject to contributions under subch. VI of ch. 40, by 2) 12 times the number of years of his creditable service for such period, but such monthly rate shall not exceed the amount by which the final average compensation of the member exceeds \$550.

42.71 MILWAUKEE TEACHERS RETIREMENT BOARD: POWERS AND DUTIES. Whenever any member of the board loses the status on which such membership is based, he shall cease to be a member of the board.

(1) The board shall:

(a) Administer the retirement fund.

(b) Transfer the assets of the retirement fund to the state treasurer. Beginning January 1, 1958, the investment board shall have control of the investment and collection of the principal and interest of the retirement fund, investing the funds under s. 25.17.

(c) Receive and consider all applications for annuity under this subchapter, determine the amount thereof and direct payment of such annuities.

(d) Furnish once each year to each member currently making deposits, a statement of his account together with appropriate explanatory material and shall furnish such statement and explanatory material to any other member upon request.

(e) Annually, prior to July 15, estimate the amount of the payment to be made by the state to such fund during the fiscal year beginning on the next July 1, to maintain the assets of the fund as provided in s. 42.89. The board shall certify such estimate to the department of administration which shall prepare a warrant each month for one-twelfth of said estimated amount and upon such warrants the state treasurer shall transfer the sums specified therein to the teachers annuity and retirement fund from funds appropriated for that purpose. When the board has determined the exact amounts payable by the state to the fund for such fiscal year in accordance with s. 42.89, a final certification thereof shall be made by said board to the department of administration and a final transfer shall be made to or from the fund, as determined from said final certification.

(2) The board may:

(a) Require each teacher employed in the public schools of a city of the 1st class to file a statement in such form as the board directs, concerning all service rendered by such teacher, and such other information as the board needs in the performance of its duties.

(b) Administer oaths, to secure by subpoena issued in the name of the board and signed by a member thereof the attendance of witnesses and the production of books, papers and records relevant to any matter pending before the board, and to compel witnesses to answer material and rele-

vant questions put concerning any such pending matter. Such subpoena shall be served as prescribed by law and shall be in such form as will advise the witness of the nature of the proceedings in which he is to testify, and the place and time where and when his testimony is to be given. Each witness to subpoenaed shall receive for his attendance the fees and mileage provided for witnesses in civil cases in circuit courts. When a subpoena is issued on the initiative of the board or a member thereof such witness fees and mileage shall be paid by the board and charged to the administration of the retirement fund. In case of failure of any person to obey the commands of any subpoena lawfully issued or the refusal of any witness to testify before the board to any matter concerning which he may be lawfully questioned, the circuit court or any judge thereof in the county where such board is located, on application by the board or any member thereof, shall compel obedience by attachment proceedings for contempt, as in the case of disobedience of the requirements of a subpoena issued from such court or a refusal to testify therein.

(c) Deduct from the compensation of each full-time employe of the teachers retirement board in each city of the 1st class who is or becomes a member of the employes' retirement system provided for in chapter 396, laws of 1937, and from every monthly payment of any such employe's compensation after chapter 396, laws of 1937, has become or becomes effective in any such city, the amounts certified to the board by the annuity and pension board mentioned in chapter 396, laws of 1937. Out of the funds administered by it the board may make public contributions to such employes' retirement system for the benefit of such board's employe members of such employes' retirement system in the amounts certified to such board by the annuity and pension board mentioned in chapter 396, laws of 1937. All such deductions and contributions made by such board shall be paid into such employes' retirement system for the purposes mentioned in chapter 396, laws of 1937. All acts of such board and its members, officers, agents and employes in making any such deductions, contributions and payments prior to March 31, 1939, in any such city are ratified and confirmed. This paragraph applies only to employes under sub. (7) (a).

(d) Take such actions as may be necessary to complete the inclusion of the members of the combined group of the retirement fund under the federal OASDHI system as provided in s. 42.72, as of January 1, 1955. The board may employ such additional personnel as may be necessary for such purposes.

1. The board shall certify to the treasurer the amounts to be transferred from the retirement fund to the public employes social security fund to provide for the contributions which will thereby become payable to the federal OASDHI system as employer and employe contributions for such employes as the result of making such coverage effective as of January 1, 1955, and the board also shall deduct such amounts from the general fund of the retirement fund. Upon such certification by the board the treasurer shall pay such amounts to the public employes social security fund.

2. If the payment of the contributions under subd. 1 is not made to the federal OASDHI system before any interest or penalty accrues thereon under federal regulations as defined in s. 40.40 (4), the board may pay such interest or penalty and charge the same to the interest income of the retirement fund.

(e) Make such investigations of the mortality, disability, service and compensation experience of the several funds as are necessary. On the basis of such investigation the board shall determine, adopt and certify the rates at which the annuities and other benefits shall be granted. The rates shall be adequate to provide for all benefits as near as may be at actual cost but shall not be less than the rates based on the minimum

standard prescribed by law for granting annuities in this state. No revision of rates shall affect adversely the rights of any beneficiary or annuitant under an application made prior to the date when such revision becomes effective. The board may order and make such distribution of any surplus which accrues in the annuity reserve funds as it deems equitable.

(f) Deduct group life, medical and hospitalization insurance premiums from allowances paid to retired members with the written consent of such member. The consent shall be in such form as is determined by the board and when executed shall be binding upon such retired member.

(g) Select an actuary or an actuarial firm under a contractual agreement for the purpose of carrying out the necessary actuarial requirements of the fund, and employ and select such additional administrative, clerical, medical, legal and other employes or independent contractors as are required for the administration of the fund.

(3) The state treasurer shall be the treasurer of the fund and shall be responsible for the proper handling of all the assets of the fund in accordance with this subchapter.

(5) The city attorney shall act as the legal advisor of and attorney for the board in all matters referred to him by the board, except as the board otherwise directs.

(6) (a) All teachers employed in the public schools of such cities at the time of the organization of the board desiring to come under this section, shall file a written application therefor and consent thereto with the superintendent of schools, or with the clerk or secretary of the managing body of such schools, together with written authority to the managing body to deduct from each monthly salary due the applicant, the sum or sums hereinafter provided, and to pay the same regularly into the retirement fund as herein provided.

(b) Any person accepting an appointment as teacher, as defined in s. 42.70 (2) (q), in the regular service of such city, after this subchapter takes effect, and serving thereunder, shall, as a part of the consideration for his employment, be conclusively presumed to have consented to this subchapter, but any person who has attained the age of 50 years before entering the service of such city as any such teacher and who enters such service as any such teacher after this subchapter takes effect in any such city, shall have the option to elect whether he desires to avail himself of the rights and benefits conferred and to assume the limitations and assessments imposed by this subchapter, and such person shall file written notice of such election with the superintendent of schools, or with the secretary-business manager of the board, within 6 months from the date of such person's appointment as teacher.

(c) When 25 or more teachers in such school have consented, a meeting of all such teachers may be called by 5 or more who shall designate the time and place of holding such meeting, and publish notice thereof in such city as a class 2 notice, under ch. 985. Such teachers shall, at such meeting, elect by ballot one female teacher, who shall hold office as trustee for a term of one year, one female teacher, who shall hold office as trustee for a term of 2 years, one male teacher who shall hold office as trustee for a term of one year, and one male teacher who shall hold office for a term of 2 years; and a majority of all the votes cast shall be necessary in each case for an election. Annually, thereafter, at a meeting duly called by the board on the last Saturday of September, one female and one male teacher shall be elected in the same manner for a term of 2 years.

(d) At the next meeting of the managing body of the schools, after the election of such trustees, such body shall elect 2 of its number to be members of the board, for a term of one year, and 2 for a term of 2 years, and annually thereafter at its first regular meeting held after the last

Saturday of September, such body shall elect 2 of its number to be members of said board for a term of 2 years. The trustees shall hold office until their successors are elected and qualified.

(7) (a) Persons employed prior to August 1, 1967, by a board under this subchapter are and shall continue to be employes of the city of Milwaukee, subject to related provisions of ch. 15, until such time as the employment of any such person is terminated, but the city of Milwaukee shall be reimbursed from the appropriation under s. 20.515 for all salary and related expenses of such employes, including but not limited to amounts payable by the board under sub. (2) (c).

(b) Persons initially employed on or after August 1, 1967, in furtherance of the purposes of this subchapter shall be employes of the state in the classified service.

(8) Each teachers retirement fund under this subchapter shall be construed to be a trust and each member of a teachers retirement board shall be deemed a trustee.

42.72 FUND DIVIDED; REFERENDUM ON OASDHI. (1) DIVISION INTO GROUPS. Each retirement fund created under this subchapter is divided into 2 parts known as the separate group and the combined group.

(2) COMBINED GROUP. (a) The combined group shall be composed of:

1. Members who indicate in accordance with this section that they desire coverage under an agreement under section 218 of Title II of the federal social security act;

2. Individuals who become members after May 15, 1957; and

3. Inactive and retired members who become active members after said date.

(b) Persons who become members of the combined group under par.

(a) 2 and 3 shall do so as of July 1, 1957, or later.

(3) SEPARATE GROUP. The separate group shall be composed of all other members.

(4) INFORMATION AND FORMS TO BE FURNISHED TO MEMBERS. Not later than May 30, 1957, there shall be mailed or delivered to each person who is an active member on May 15, 1957, information concerning the contributions, benefits and other features of the 2 groups into which the retirement fund is divided under this section, and a form to be signed and returned to the office of the retirement fund by each member who desires to become a member of the combined group. A member who chooses to become a member of the combined group shall thereby elect to become subject to the laws relating to the combined group and the form provided under this subsection shall contain a statement to that effect.

(5) EVIDENCE OF MAILING. A list of the names and addresses of all members to whom the materials specified in sub. (4) are mailed or delivered shall be certified and filed with the board and the governor. Upon being filed, the certified list shall constitute prima facie evidence of compliance with sub. (4).

(6) DELIVERY OTHER THAN MAILING. In lieu of mailing the materials specified in sub. (4) to individual members, a copy of such materials may be delivered to other responsible persons, who shall deliver such materials to individual members. Such delivery to the individual members may be accomplished personally, by mail, or by means of a regularly constituted institutional or departmental delivery service. A certificate signed by any such person stating that on the dates specified therein he has so delivered such materials to the members named in a list attached to said certificate, when filed with the board, shall constitute prima facie evidence of compliance with sub. (4). Delivery may be made under this subsection as to some members and under sub. (4) as to other members.

(7) ACTIVE STATUS FOR RETIRED MEMBERS. (a) Any retired member from whose salary reservations have been made under s. 42.80 based on earnings during 2 or more calendar quarters after December 31, 1954, shall be deemed an active member if before December 1, 1957, he requests that the annuity he is then receiving be discontinued. Such request shall be made on a form furnished for that purpose by the board, which shall also inform such retired members concerning this section and s. 42.73.

(b) When a person deemed to be an active member under this subsection becomes a member of the combined group, the reserve held in the reserve fund based on the annuity being received by such member, shall be transferred to the general fund until an annuity is again granted to such member. Such reserve shall be based on the member's attained age when such funds are transferred. An annuity subsequently granted to any such member shall be granted in accordance with s. 42.73.

(c) If any member dies after his annuity is discontinued under this subsection and before an annuity is again granted to him, a death benefit shall be paid as provided in s. 42.86. Said benefit shall be the full amount transferred to the general fund under par. (b), reduced by the amounts transferred under sub. (11) as employer and employe OASDHI contributions for retroactive coverage. For purposes of such death benefit a member may file a new designation of beneficiary with the board.

(8) MEMBER TO INDICATE CHOICE. Each member to whom the materials are sent under sub. (4) 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.

(9) MEMBERSHIP OF COMBINED GROUP TO BE CERTIFIED. On or before July 19, 1957, there shall be certified to the governor the names and addresses of the members of the combined group, and further certifications shall be made as required by the governor to carry out the procedures under this subsection and subch. VI of ch. 40.

(10) REFERENDUM TO BE HELD. When the certification required under sub. (9) has been made, the governor shall forthwith take all actions necessary for the conduct of a referendum under s. 40.41 (3). If a majority of the members of the combined group vote in favor of coverage under the federal OASDHI system this section shall be fully operative.

(11) OASDHI COVERAGE RETROACTIVE TO JANUARY 1, 1955. Coverage of members of the combined group under OASDHI shall be effective as of January 1, 1955, or the date on which covered earnings were first paid to any such member, if such date is later. The employer and employe contributions to the public employes social security fund in behalf of such members, for covered employment under OASDHI between January 1, 1955, and the end of the calendar quarter in which the agreement extending such coverage is executed, shall be paid by transferring the amounts necessary to make such payment from the general fund of the retirement fund. Such funds shall be transferred pursuant to s. 42.71 (2) (d).

(12) NATURE OF CONTRACTUAL RIGHTS UNCHANGED. It is not intended that the enactment of chapter 78, laws of 1957, shall extend or impair the nature of any contractual rights of members of the retirement fund.

(14) TRANSFERS FROM SEPARATE TO COMBINED GROUP. (a) The position of any member of the separate group who was eligible to make the choice pursuant to sub. (8) may be transferred to the combined group if prior to the date of execution of any modification to the agreement with the federal department of health, education and welfare made pursuant to s. 40.41 (3) to implement such transfer the board receives from such mem-

ber not less than 20 calendar days prior to the submission of such modification, a written request for such transfer which specifies the position in the school system of the city of the 1st class in which such member is then employed, and provided such member occupies a position covered under the retirement fund on the date of submission of the modification to the federal department of health, education and welfare. Such written request for a transfer shall be valid only if within 20 days of the receipt of such request by the board the member pays to the board all of the required employe contribution to the federal OASDHI system for employment in such school system which is to be covered from and after January 1, 1958.

(b) Section 42.71 (2) (d) shall be applicable to such transfer and s. 42.80 (6) shall be applicable as of the end of the period of transfer to provide retroactive coverage under s. 42.71 (2) (d).

(c) The director shall certify the number of persons who have qualified to be covered by each modification to be submitted to implement this subsection.

(d) Contributions made and teaching service rendered after August 31, 1958, and before the date of transfer to the combined group under this subsection, except with respect to OASDHI coverage, shall be construed as having been made and rendered under the separate group for all purposes.

(e) For purposes of applying s. 42.73 (1) and (2) to any member who has transferred to the combined group under this subsection the dates contained in s. 42.73 (1) and (2) shall not apply and benefits shall be payable under s. 42.73 (2) for the period before the date of transfer and under s. 42.73 (1) for the period beginning with the date of transfer.

42.73 BENEFITS UNDER THE COMBINED GROUP. This section applies only to members of the combined group.

(1) RETIREMENT ANNUITIES ON FUTURE SERVICE. When a member of the combined group has ceased to be employed as a teacher in the public schools of a city of the 1st class, and is not on leave of absence from such teaching position, the accumulation from the member's and state deposits made under s. 42.80 (6) based on earnings after August 31, 1958, may be applied by the member as a net single premium at the rate certified by the board, to the purchase of an annuity or annuities, the first payment to be made in such month and year after the application for the annuity is received by the board as the member directs, except that if the total of such annuity added to the annuity payable under sub. (2) and s. 42.76 (12) would be less than \$10 per month, such accumulation may, at the option of the member, be paid to such member in a single sum.

(2) ANNUITY BASED ON PAST SERVICE. In addition to the annuity under sub. (1), an annuity shall be paid for teaching service before September 1, 1958, which annuity shall be determined as follows:

(a) For any member from whose salary reservations before September 1, 1958, were last made under s. 42.80 (1) or (2), the annuity shall be \$2.50 per month for each year of such service not to exceed 35 years.

(b) For any member from whose salary reservations before September 1, 1958, were last made under s. 42.80 (3), the annuity shall be \$3.25 per month for each year of such service not to exceed 35 years.

(c) For any member from whose salary reservations before September 1, 1958, were last made under s. 42.80 (4), the annuity shall be \$4 per month for each year of such service not to exceed 35 years.

(d) For any member from whose salary reservations before September 1, 1958, were last made under s. 42.80 (5), the annuity shall be \$5 per month for each year of such service not to exceed 35 years.

(e) In computing years of service under this subsection a member shall be given credit for years of service before September 1, 1958, for

which he would have received credit under s. 42.81 if he had remained a member of the separate group.

(f) If any such member does not qualify for an OASDHI primary or disability benefit, and will not qualify for such benefit upon reaching the age of eligibility, his annuity for teaching service before September 1, 1958, shall be determined as follows: for any member from whose salary reservations before September 1, 1958, were last made under s. 42.80 (1) or (2), the annual annuity shall be \$24 for each of the first 25 years of service and \$40 for each additional year of service, but not to exceed \$1,200 per year; for any member from whose salary reservations before September 1, 1958, were last made under s. 42.80 (3), the annual annuity shall be \$32 for each of the first 25 years of service and \$85 for each additional year of service, but not to exceed \$1,650 per year; for any member from whose salary reservations before September 1, 1958, were last made under s. 42.80 (4), the annual annuity shall be \$45 for each of the first 10 years of service and \$66 for each additional year of service, but not to exceed \$2,100 per year; for any member from whose salary reservations before September 1, 1958, were last made under s. 42.80 (5), the annual annuity shall be \$60 for each of the first 10 years of service and \$84 for each additional year of service, but not to exceed \$2,700 per year. The total annuity of such member under sub. (1) and under this subsection, when computed as a straight life annuity, shall be not less than the total annuity for which such member would have been eligible if he had remained a member of the separate group. If such member subsequently qualifies for an OASDHI primary or disability benefit, his annuity for teaching service before September 1, 1958, shall thereafter be determined under pars. (a) to (d); but the total annuity of any member under sub. (1) and this subsection, when computed as a straight life annuity and when added to the OASDHI primary or disability benefit for which such member is eligible shall be not less than the total annuity for which such member would have been eligible if he had remained a member of the separate group.

(3) **OPTIONAL FORMS OF ANNUITIES.** Annuities paid under subs. (1) and (2) and s. 42.75 (2) may at the option of the member be in any of the forms provided in s. 42.81 (15).

(4) **AGE FOR RECEIVING ANNUITY.** The first payment of an annuity under this section shall not be made before the 55th birthday anniversary of the member unless he has qualified for a disability annuity under s. 42.74 (1) or (2).

(5) **COMPULSORY RETIREMENT.** Any member of the combined group who attains the age of 70 years shall be retired by the board of school directors at the end of the school year in which he reaches age 70 but the board of school directors may permit the employment of a retired teacher of any age to teach as a substitute for a period of not more than 95 days in any one school year without forfeiture of any retirement allowance.

(6) **OPTIONAL INTEGRATED ANNUITY.** (a) Any member of the combined group who is eligible to receive a retirement annuity under subs. (1) and (2), which annuity is to begin before the member reaches the age of eligibility for an OASDHI retirement benefit, and who has sufficient quarters of OASDHI coverage to qualify for an OASDHI benefit upon reaching the age of eligibility therefor, may with the approval of the board elect in lieu of such annuity to take the actuarial equivalent thereof as:

1. A reduced annuity payable monthly for life; and
2. A temporary annuity payable monthly and terminating at death or with the payment due in the month in which the participant attains the age specified in the application for such annuity.

(b) The purpose of this option is to provide a life annuity and temporary annuity in such amounts that the member's total anticipated re-

retirement benefits from the retirement fund and primary OASDHI will be approximately the same both before and after attainment of the age of eligibility for an OASDHI retirement benefit, assuming that the member has no further wages credited to his account under OASDHI after payment of such annuity begins.

(7) WIDOWS OPTIONAL INTEGRATED ANNUITY. (a) The widow of any member of the combined group may with respect to an annuity payable under s. 42.75 (2) or under s. 42.76 (13), which annuity is to begin prior to the widow's 62nd birthday, elect to take the actuarial equivalent thereof as:

1. A reduced annuity payable monthly for life; and
2. A temporary annuity payable monthly and terminating at death or with the payment due in the month in which the widow attains age 62, whichever occurs earlier.

(b) It is the intent of this option that so far as is practicable the aforesaid life annuity and temporary annuity will be determined in such amounts that the widow's total anticipated monthly retirement benefits from this retirement fund and her survivors benefit from the federal OASDHI system will be the same both before and after the attainment of age 62.

42.74 DISABILITY ANNUITIES FOR FUTURE MEMBERS. (1) (a) This section applies only to persons who first become members after August 31, 1958.

(b) If, before attaining age 50, a member who has made required deposits during each of 5 fiscal years and who was employed in teaching or was on leave of absence from teaching in this state, within the 12-month period immediately preceding the occurrence of disability, becomes unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which can be expected to result in death or to be a long-continued and indefinite duration, and furnishes due proof thereof and that such disability has then existed for 60 days, the member shall be paid an annuity during the continuance of such disability, in monthly payments of \$100 each, in addition to any other benefit payable to such member. The board may at any time not more than once in any year require proof of the continuance of such disability and if the member fails to furnish satisfactory proof thereof, or if it appears at any time that the member has become able to engage in any substantial gainful activity, such annuity shall cease.

(c) If a member receiving a disability annuity under par. (b) becomes eligible to receive an OASDHI disability or primary retirement benefit the amount of such annuity paid from the general fund shall be reduced by the amount of such OASDHI benefit. If any such member fails to apply for an OASDHI benefit upon reaching the age of eligibility therefor, or fails to pursue any such application in good faith, the portion of such annuity paid from the general fund shall cease.

(d) Each initial determination of disability under par. (b) shall be made by the state agency designated to make determinations of disability by agreement with and for the secretary of health, education and welfare under the federal social security laws. An initial determination of ineligibility shall be binding upon the board. An initial determination of eligibility may be accepted or rejected by the board. Continued eligibility for benefits under par. (b) shall be determined in the same manner. As a condition of continued payment of the portion of the annuity paid from the general fund, the board may require a member receiving a disability annuity under par. (b) to reapply for an OASDHI disability benefit on the basis of any examination or determination under par. (b) or to apply for the freezing of his OASDHI earning record on the basis of his disability.

(e) If, before attaining age 55, a member who had made required deposits during each of 5 fiscal years and who was employed in teaching or was on leave of absence from teaching in this state, within the 12-month period immediately preceding the occurrence of disability, becomes physically or mentally incapacitated to such an extent that the member is wholly, and presumably will be permanently, unable to engage in teaching, and furnishes due proof thereof and that such disability has then existed for 60 days, the member shall be paid an annuity during the continuance of such disability, in monthly payments of \$25 each, in addition to any other benefit payable to such member. The board may at any time not more than once in any year require proof of the continuance of such disability and if the member fails to furnish satisfactory proof thereof, or if it appears at any time that the member has become able to engage in teaching, such annuity shall cease.

(f) A member may not receive an annuity under pars. (b) and (e) at the same time.

(2) **DISABILITY ANNUITIES FOR PRESENT MEMBERS.** Any teacher who first became a member before September 1, 1958, upon certification for total and permanent disability as provided in s. 42.81 (6) or temporary disability after 5 years or more of teaching service in the public schools of a city to which this subchapter applies as provided in s. 42.81 (4), may receive an annuity under s. 42.73 (1) increased by such an additional amount so that the total annual disability annuity received by such teacher is as follows:

(a) For any member from whose salary reservations before September 1, 1958, were last made under s. 42.80 (1) or (2), the annual disability annuity shall be \$24 for each of the first 25 years of service and \$40 for each additional year of service, but not to exceed \$1,200 per year.

(b) For any member from whose salary reservations before September 1, 1958, were last made under s. 42.80 (3), the annual disability annuity shall be \$32 for each of the first 25 years of service and \$85 for each additional year of service, but not to exceed \$1,650 per year.

(c) For any member from whose salary reservations before September 1, 1958, were last made under s. 42.80 (4), the annual disability annuity shall be \$45 for each of the first 10 years of service and \$66 for each additional year of service, but not to exceed \$2,100 per year.

(d) For any member from whose salary reservations before September 1, 1958, were last made under s. 42.80 (5), the annual disability annuity shall be \$60 for each of the first 10 years of service and \$84 for each additional year of service, but not to exceed \$2,700 per year.

(e) When an annuity is increased under this subsection the additional annuity shall be paid by transferring a sufficient amount from the general fund to the reserve fund to establish the reserve required to pay such additional annuity which shall be paid from the reserve fund. Such additional annuity shall be reduced by the amount of any OASDHI primary or disability benefit received by the member.

(f) In computing years of service under this subsection a member shall be given credit for years of service for which he would have received credit under s. 42.81 if he had remained a member of the separate group.

(g) A period of time during which an annuity is paid under this subsection shall not be considered teaching service under this subchapter for purposes of computing retirement annuities.

(3) **RESERVES UPON WHICH ANNUITIES ARE BASED.** All annuities paid under ss. 42.73 to 42.75 shall be paid from the reserve fund. If the annuity or part thereof is based on an accumulation in the retirement deposit fund the board shall transfer such accumulation from the retirement deposit fund to the reserve fund. If the annuity or part thereof is not based on

an accumulation in the retirement deposit fund, the board shall transfer from the general fund to the reserve fund an amount sufficient to establish the necessary reserve to pay such annuity. If the benefit is paid in a lump sum such payment may be made directly from the retirement deposit fund if based on an accumulation in said fund, from the reserve fund if based on a reserve in said fund, and otherwise from the general fund. The board may make such transfers between funds as are necessary to carry out the purposes of this section.

42.75 SEPARATION BENEFITS. (1) Any member who has ceased to be employed as a teacher in the public schools of a city of the 1st class, and is not on leave of absence from a teaching position in such city, may be paid the accumulation from the member's deposits made while a member of the combined group, on filing with the board before the 55th birthday anniversary of such member a written request therefor and a full and complete discharge and release of all right, interest or claim on the part of such member to state deposit accumulations which accrued while he was a member of the combined group. Such state deposit accumulations shall thereupon be transferred to the state general fund in accordance with s. 25.28 (3). Withdrawal of member's deposits made before said member became a member of the combined group shall be governed by s. 42.86. Any member who has ceased to be employed as a teacher in the public schools of a city of the 1st class, and is not on leave of absence from a teaching position in such city and who has attained the age of 55 years, and whose total accumulation from required deposits and state deposits which accrued while he was a member of the combined group, 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.

(2) DEATH BENEFITS. Each member may, by written notice to the board, in such form as it approves, designate a sole beneficiary, or 2 or more beneficiaries to whom any death benefits payable at the death of the member, shall be paid. The member may, by a like written notice, change any such designation. Such death benefits shall be the full amount of the accumulation in the retirement deposit fund to the credit of the member from all member's deposits and all state deposits made under s. 42.80 (6), plus an amount which is equal to twice the accumulation which would have resulted from the deposits made by such member under s. 42.80 (1) to (5) if interest had been compounded thereon at the rate of 3% per annum. Such death benefits shall be payable as an annuity or annuities payable monthly during the life of one or more beneficiaries, except that if any such annuity would be less than \$10 per month, the benefit shall be paid to the beneficiary in a single sum. If more than one beneficiary is designated and any of such designated beneficiaries shall predecease such member, the death benefit shall, unless the member has designated otherwise, be paid to the surviving beneficiaries in shares of equal value. The board may require proof of the death of deceased beneficiaries from the surviving beneficiaries. If no beneficiary has been designated by the member, or if no designated beneficiary survives the member, such death benefit shall be paid in a single sum to the estate of the member. If the designated beneficiary survives the member, but dies before making application for or receiving any benefits under this subchapter, such death benefit shall be paid in a single sum to the estate of the deceased beneficiary upon the application of the executor or administrator of such estate.

(3) INFORMATION ON OASDHI BENEFITS. Each member may be required by the board, as a condition of receiving benefits under s. 42.73 (2) (f) or 42.74 (1) or (2), to authorize the social security administration to provide the fund with information regarding the present or future OASDHI benefits payable or to become payable to such member.

(4) **ADDITIONAL ANNUITY OPTIONS.** In addition to the optional forms of annuities set forth in s. 42.81 (15), an annuity under s. 42.73 (1) or (2) or 42.74 (1) or (2) may at the option of the member be granted in any form of life annuity established by rule of the board on the basis of actuarial equivalent values, with due regard for selection against the fund. The amount payable monthly to the member during life under any such additional form shall be not less than the amount payable to others upon the death of the member.

42.76 VARIABLE ANNUITIES. (1) **PURPOSE.** The purpose of this section is to establish a well balanced, broadly diversified investment program so as to provide retirement benefits which will fluctuate as the value and earnings of such investments vary, in relation to changes in the general economy. It is anticipated that greater utilization of equity investments will result in the accumulation of larger deposit reserves during the working years of the member and tend to preserve the purchasing power of the deposits made and the benefits provided, and should provide better protection in periods of inflation.

(2) **FIXED AND VARIABLE ANNUITY DIVISIONS.** There are created within the combined group of the retirement fund, 2 divisions known as the variable annuity division and the fixed annuity division.

(3) **DEPOSITS.** (a) Each member of the combined group may elect, by written notice filed with the board upon a form furnished by the board, to have 50% of his required deposits and state deposits paid into the retirement deposit fund of the variable annuity division beginning September 1, 1958, and reserved for the purchase of a variable annuity.

(b) Said election may be made at any time by the member, and shall become effective as to deposits based on earnings after the following June 30 unless the board adopts rules for more frequent elections.

(c) Said election shall have no effect on any benefit under s. 42.73 (2) or 42.74 (2).

(d) Said election, once made, is irrevocable.

(e) In the absence of such election the member shall participate in the fixed annuity division only, and his entire required deposit shall be paid into the retirement deposit fund of the fixed annuity division.

(f) Any member of the combined group who has elected under par. (a) to participate in the variable annuity division may also direct, upon a form furnished by the board, that any or all additional deposits subsequently made by or on behalf of said member be paid into the retirement deposit fund of the variable annuity division, but the maximum amount of such additional deposits paid into such fund shall be \$5,000 per year.

(4) **FUNDS.** (a) The board shall at all times maintain in the funds of the fixed annuity division assets in accordance with s. 42.89.

(b) The board shall at all times maintain in the funds of the variable annuity division a reserve fund and a retirement deposit fund:

1. The reserve fund shall consist of all transfers made to the reserve fund plus earnings from investments less payments from the fund—the total adjusted for capital gains and losses and for mortality gains and losses. The annuities paid from this fund shall be adjusted annually so that the value of the total required reserve for these annuities, if they were considered as fixed annuities, would, under the mortality and interest assumptions under which they were issued, be within 2% of the amount of this fund;

2. The retirement deposit fund shall consist of the deposits made by or for the members plus earnings from investments less withdrawals and transfers from the fund—the total adjusted for capital gains and losses.

(c) 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 re-

quires. The board shall, as of June 30 of each year, make such valuations of the several funds as are necessary for the purposes of the retirement fund.

(d) 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) The assets in the retirement deposit fund and the reserve fund of the variable annuity division shall be evaluated annually by the board at a date fixed by the rules of the board. The market value of investments used in this evaluation shall be the value certified by the investment board. The board may make additional evaluations of the fund at times between the annual evaluation if deemed desirable.

(5) EARNINGS—APPORTIONMENT AND CREDITING. (a) Earnings. 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.

(b) *Apportionment.* As of June 30 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.

(c) *Crediting.* 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, and state deposit accumulation, are transferred to the reserve fund, interest shall be credited to the amount to be so transferred for each one-month period which has elapsed since the preceding June 30 at one-twelfth 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 transferred with the amount to which it was so credited. No interest shall be credited to an account on a pro rata basis where a refund of contribution is paid out in a single sum.

(6) CAPITAL GAINS AND LOSSES. (a) Capital gains for any period shall be the value of each fund as evaluated by the board under sub. (4) (e) at the end of the period plus the disbursements from the fund during the period (other than for investments or for administrative and investment expenses charged to earnings); less the total of 1) the value of the fund at the beginning of the period, 2) the earnings of the fund during the period, and 3) receipts, other than receipts from investments, during the period. If this quantity is negative, it shall be the capital loss for the period.

(b) *Apportionment.* As of June 30 of each year the board shall determine the capital gains or losses to be apportioned to the several funds.

(c) *Crediting to accounts.* Capital gains and losses will be credited to the individual accounts in the retirement deposit fund only on amounts that have been on deposit for the full year, except that the board may, in order to avoid substantial inequities in case of extraordinary capital gains or losses, allocate a portion of these to deposits made during the current year.

(7) BOARD TO FIX ANNUITIES. The board shall make such investigations of the mortality, disability, service and compensation experience of the several funds as are necessary. On the basis of such investigation the board shall determine, adopt and certify the rates at which the beginning payment on variable annuities shall be made. The rates last adopted by the board shall continue to be the prevailing rates until changed by action of the board.

(8) ADJUSTMENT OF VARIABLE ANNUITY PAYMENTS. Whenever the balance in the reserve fund of the variable annuity division as of June

30 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% of said present value, the amount of each variable annuity payment shall be proportionately increased or decreased.

(9) INTERIM ADJUSTMENTS. Notwithstanding sub. (8), 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 June 30.

(10) SEPARATION BENEFITS. Any member who has ceased to be employed as a teacher in the public schools of a city of the 1st class, and is not on leave of absence from such teaching position, may be paid the accumulation from the member's deposits made in or transferred to the variable annuity division, on filing with the board before the 55th birthday anniversary of such member a written request therefor and a full and complete discharge and release of all right, interest or claim on the part of such member to state deposit accumulations which accrued in the variable annuity divisions as the result of state deposits made in the variable annuity division while he was a participant therein. Withdrawals of accumulations from member's deposits in the fixed annuity division shall be governed by s. 42.75 (1).

(11) OTHER RIGHTS. Other rights and benefits shall be as nearly consistent with this subchapter as the board determines to be practicable considering the nature of the benefits under the variable annuity division.

(12) ANNUITIES. (a) When a member has ceased to be employed as a teacher in the public schools of a city of the 1st class, and is not on leave of absence from such teaching position, the accumulation from the member's deposits and state deposits may be applied by the member as a net single premium at the rate certified for beginning payments by the board, to the purchase of a variable annuity, the first payment to be made in such month and year after the application for the variable annuity is received by the board as the member directs, which variable annuity may be:

1. A variable annuity payable monthly to the member during life; or

2. A variable annuity payable monthly to the member during life, with a guaranty 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 180 monthly payments shall be continued to one beneficiary or divided equally, or as the member otherwise specified, between 2 or more beneficiaries designated by the member until payments have been made for 180 consecutive months after such annuity began. Upon the death of any designated beneficiary after he has become entitled to receive monthly payments under this subsection, the then present value of his benefit shall be paid in a single sum to his estate. Upon the death of the member before payment has been made for 180 months, the then present value of the remainder of such payments shall be paid in a single sum to the estate of the member in cases where no beneficiary was designated or where the member's estate was designated as beneficiary. In the event of the death of any designated beneficiary prior to the death of the member, then upon the death of the member, the then present value of the benefit, if any, which would have been payable to said beneficiary, shall be paid in a single sum to the estate of the member; or

3. A variable annuity payable monthly to the member during life, and after death of the member, monthly payments of one-half the monthly amounts which would have been paid to the member if he had lived, to be continued to such beneficiary during life as the member has designated in the original application for a retirement allowance; or

4. A variable annuity payable monthly to the member during life, and after the death of the member, the same monthly payment which would

have been paid to the member if he had lived; to be continued to such beneficiary during life as the member has designated in the original application for a retirement allowance; or

5. In such variable life annuity or annuities as the board approves, but the amount payable monthly to others upon the death of the member shall not be more than the amount which would have been payable monthly to the member if he continued to live.

(b) The first payment of an annuity under this subsection shall not be made before the 55th birthday anniversary of the member unless he has qualified for a disability annuity under this subchapter.

(c) If the total of any such annuity, when added to the annuity payable under s. 42.73 (1) and (2), would be less than \$10 per month, the accumulation from member's deposits and state deposits may, at the option of the member, be paid to such member in a single sum.

(13) **DEATH BENEFITS.** Each member may, by written notice to the board in such form as it approves, designate a sole beneficiary, or 2 or more beneficiaries to whom any death benefits payable at the death of the member shall be paid. The member may by a like written notice change any such designation. Such death benefits shall be the full amount of the accumulation in the retirement deposit fund of the variable annuity division to the credit of the member from all member and state deposits. Such death benefits shall be payable as a variable annuity or annuities payable during the life of one or more beneficiaries. If the initial amount of such variable annuity payable to any beneficiary would be less than \$10 per month the benefit payable to such beneficiary shall be paid in a single sum or, if the beneficiary so elects, shall be transferred to the retirement deposit fund of the fixed annuity division and paid under s. 42.75 (2). If more than one beneficiary is designated and any of such designated beneficiaries predecease the member, the death benefit shall, unless the member has designated otherwise, be paid to the surviving beneficiaries in equal shares. The board may require proof of the death of deceased beneficiaries from the surviving beneficiaries. If no beneficiary has been designated by the member, or if no designated beneficiary survives the member, such death benefit shall be paid in a single sum to the estate of the member. If the designated beneficiary survives the member, but dies before making application for or receiving any benefits under this subchapter, such death benefit shall be paid in a single sum to the estate of the deceased beneficiary upon the application of the executor or administrator of such estate.

42.77 CREATION OF FORMULA GROUP; ELECTION BY MEMBERS. (1) There is created, as of September 9, 1965, as a part of each retirement fund created pursuant to this subchapter a formula group, to be composed of: a) any combined group or separate group member, except any member who on such date is a member receiving an annuity, who at any time on and after September 9, 1965, but prior to December 1, 1965, is employed in membership teaching and, unless exempted from making a required deposit by s. 42.84 (4), makes a required deposit pursuant to s. 42.80, and who elects in accordance with this section to become a member of the formula group; b) any combined group or separate group member who on September 9, 1965, is on authorized leave of absence, and who elects in accordance with this section to become a member of the formula group, but no such election shall be effective unless and until such member resumes membership teaching concurrently with the termination of such leave of absence; c) any member who is a member of the system on September 9, 1965, but who is not eligible for an election under a) or b) herein, who within 90 days from the last day of the month in which he first engages in membership teaching after September 9, 1965, elects in accordance with this section to become a member of the formula group, but his participation as a member of the formula group shall not include or re-

late to any benefit, compensation or employment for any period prior to September 9, 1965; d) any person who becomes a member of the system after November 30, 1965. For purposes of subch. VI of ch. 40 each member of the formula group shall also be classified as a member of the combined group or of the separate group, as determined pursuant to s. 42.72; such classification shall also be applicable with respect to any benefit, compensation or employment which is not includable for formula group purposes.

(2) (a) Not later than January 1, 1966, there shall be mailed or delivered to each member who is eligible for the election specified in sub. (1) (a) or (b), comparative information concerning the required deposits, benefits and other features applicable to members of the formula group and to the members of the group to which such member then belongs, together with an envelope addressed to the retirement fund and a form to be signed and returned to the retirement fund by each member who desires to become a member of the formula group. A member who elects to become a member of the formula group shall thereby become subject to the laws relating to the formula group, and such election shall constitute a modification of the terms and conditions of employment of such member; and the form provided herein shall contain a statement to such effect. To be effective, the election form of any member must be received by the office of the retirement fund no later than the close of business on April 1, 1966, but the board may provide for a reasonable extension of such date in individual cases on the basis of unusual or extenuating circumstances; no such extension shall be effective after June 30, 1967. The board may prescribe and take all actions necessary to assure compliance with the expressed intent of this subsection, which is to assure all eligible members an opportunity to make an informed election of membership in the formula group.

(b) Participation in the formula group shall not be effective, as to any member who becomes a member of such group, before July 1, 1966, or the beginning date of his retirement annuity under s. 42.78 (2) if earlier.

42.78 BENEFITS UNDER THE FORMULA GROUP. This section shall apply only to members of the formula group. Benefits provided under this section are inclusive of the benefits provided by accumulations under s. 42.76.

(1) **CREDITABLE SERVICE.** (a) Creditable service shall be expressed in years and such fractions thereof as the board determines. The creditable service of each member at any time prior to July 1, 1966, shall be the number of years of membership teaching creditable to him pursuant to the applicable statutes and rules. The creditable service of a member with respect to teaching after June 30, 1966, shall be the number of years and completed months of subsequent membership teaching until his employment is terminated but not including any period subsequent to the June 30 following or coincident with his 70th birthday. The board shall determine by rule how much teaching in any year is equivalent to one year of creditable service. Military service after June 30, 1966, shall be creditable on the same basis as prior military service.

(b) A member shall be considered a new member with respect to each separate period of membership teaching as determined pursuant to s. 42.70 (2) (s) which begins after June 30, 1966. The commencement of a separate period of membership teaching shall not cause the loss of any benefit to which a member is entitled by virtue of any preceding service.

(2) **RETIREMENT ANNUITIES.** (a) When a member of the formula group has ceased membership teaching and is not on authorized leave of absence from membership teaching, he may elect to receive a retirement annuity, the first payment of which shall not be made before the member's 55th birthday.

(b) The retirement annuity of a formula group member, except as provided in pars. (c) and (d) shall be in the monthly amount equal to the sum of the amounts determined pursuant to this paragraph, plus any benefit elected by such member to be provided by his accumulated additional deposits:

1. The annuity purchased by applying as a net single premium, the amount equal to 200% of the excess if any, of a) the accumulation from the required deposits of the member over b) the accumulation therefrom which would have resulted if the accumulation therefrom in the variable annuity division on June 30, 1966, had been transferred to, and all subsequent deposits had been made in, the fixed annuity division. If a) is less than b), the annuity of the member shall be reduced by the amount which could be purchased by 200% of the amount of the deficiency, plus:

a. If the annuity begins on or after the 65th birthday of the member, the monthly annuity in the normal form determined by multiplying the number of years of his creditable service by the sum of six-sevenths of one per cent of his final average compensation plus three-sevenths of one per cent of the final excess OASDHI compensation of the member; or

b. If the annuity begins prior to the 65th birthday of the member, the annuity which at the date it begins is the actuarial equivalent of the annuity deferred to the 65th birthday of the member determined pursuant to subd. 1.a.

2. The initial amount of annuity in the normal form under this paragraph shall not exceed the amount which, when added to the primary or disability insurance benefit for which he is eligible, or for which he will be eligible upon attaining the lowest age at which old-age benefits are payable, under the federal OASDHI program, equals 75% of the member's final average compensation. If a member does not receive such OASDHI amount by reason of his failure to apply therefor or by virtue of the suspension thereof, he will notwithstanding such fact be deemed to receive such amount. If a member fails to establish the amount of, or his eligibility for, such OASDHI benefits, determinations thereof shall be made by the board on such basis as the board establishes by rule.

3. If the member has accumulations from required deposits in the variable annuity division, the initial amount of the annuity under this paragraph shall be increased by 200% of the excess, or decreased by 200% of the deficiency, of the amount purchased by the application of such accumulations over the amount which could be purchased by an equal accumulation in the fixed annuity division.

(c) In no case, except as provided in par. (d), shall the initial amount of the retirement annuity in the normal form of a formula member be less than the sum of the following, plus any benefit elected by such member to be provided by his accumulated additional deposits:

1. The annuity which can be provided, on the date such annuity begins, from the accumulated required deposits of the member at such time, and

2. One-half of the annuity determined pursuant to par. (b), exclusive of any amount provided by accumulated additional deposits.

(d) The retirement annuity of a member who elected under s. 42.77 (1) a) or b) to become a member of the formula group shall be the amount determined pursuant to pars. (b) and (c) or this paragraph, as the member elects, but if the member fails to make an election, the annuity shall be that sum calculated under said paragraphs which results in the largest initial annuity. The annuity under this paragraph shall be the annuity purchased by applying as a net single premium the sum of the following, plus any annuity elected by such member to be provided by his accumulated additional deposits:

1. The accumulation from the member's required deposits made pursuant to s. 42.80 (6) and (7).

2. The accumulation on June 30, 1966, from state deposits made on behalf of a member pursuant to s. 42.80 (6), compounded to the end of the last completed calendar month at the respective rates of interest credited to individual accounts in the fixed annuity division from year to year.

3. An amount equal to the accumulation from 4½% of a member's compensation for membership teaching in each fiscal year after June 30, 1966, compounded to the end of the last completed calendar month at the respective rates of interest credited to individual accounts in the fixed annuity division from year to year.

4. An amount equal to the excess, if any, of a) the accumulation from the required deposits of the member over b) the accumulation therefrom which would have resulted if the accumulation therefrom in the variable annuity division on June 30, 1966, had been transferred to, and all subsequent deposits had been made in, the fixed annuity division. If a) is less than b), the accumulation under either subd. 2 or 3 shall be reduced by the amount of such deficiency.

5. The present value as of the date of annuity purchase of any annuity payable pursuant to ss. 42.72 (14) (e) and 42.73 (2), but not including the present value of any such annuity based on service after June 30, 1966.

(e) The normal form of retirement annuity is an annuity payable monthly during life, with a guaranty of at least 60 monthly payments. A member may elect to receive in lieu of the normal form of annuity an actuarially equivalent annuity in any optional form provided in this subchapter. The excess of the total annuity to which a member is entitled under this section over the initial amount of the variable annuity hereunder, when both are computed in the normal form, shall be the annuity payable from the fixed annuity division.

(f) Two annuities shall be deemed to be actuarially equivalent if both require the same net single premium on the date as of which the determination is made. The net single premium for a deferred annuity shall be deemed to include the present value of any death penalty payable prior to its commencement.

(g) This section shall be effective with respect to any retirement annuity provided herein if application therefor is filed after September 9, 1965, and if the beginning date of such annuity is after such effective date, but until July 1, 1966, each such retirement annuity shall be determined and paid as provided by the law in effect as to any member prior to September 9, 1965. As soon as possible after July 1, 1966, each such retirement annuity shall be increased to the amount determined pursuant to this section, subject to the same optional modification if any as was applied to the original retirement annuity, and payment of such increased amount shall be made retroactively to the beginning date of each such annuity. Any such increased amount shall be included, as provided herein, as a part of any related death benefit or beneficiary annuity arising from the death of a member.

(h) The compulsory retirement provision of s. 42.73 (5) shall be fully applicable to formula group members.

(i) Notwithstanding s. 42.77 (1), an election to become a member of the formula group may be made at any time prior to December 1, 1965, by any member who made a required deposit pursuant to s. 42.80 based on teaching service in the month of May or June, 1965, and who had not received an annuity at any time prior to May 1, 1965. The election permitted by this paragraph may also be made by any member who would have made a required deposit pursuant to s. 42.80 based on teaching service in May or June, 1965, if not exempted from making such deposit by s. 42.84 (4), if such election is made not more than 60 days after July 8, 1966. Any member so electing shall be subject to all provisions applicable to members of the formula group, including the right to have

his retirement annuity adjusted in accordance with par. (g), any provision thereof to the contrary notwithstanding.

(3) **DISABILITY ANNUITIES.** (a) If, before attaining age 65, a formula group member who has made required deposits for not less than a school year during each of 5 fiscal years within the 84-month period preceding the occurrence of disability, becomes unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration, and furnishes due proof thereof, and if the teaching service of the member was terminated because of such disability, such member shall be paid a disability annuity during the continuance of such disability. The teaching service of a member shall not be considered to have been terminated because of disability if a member has engaged in any employment other than membership teaching between the date the disability occurred and the date of approval by the board of his application for a retirement annuity. The board may at any time, but not more than once in any fiscal year, and only until the member has attained age 65, require proof of the continuance of such disability, and if the member fails to furnish satisfactory proof thereof, or if it appears at any time that the member has become able to engage in any substantial gainful activity, such annuity shall be reduced to the amount of the retirement annuity to which he would be entitled under sub. (2), notwithstanding the age 55 requirement expressed therein.

(b) The amount of a disability annuity under this subsection shall be the greater of the following:

1. The amount of the retirement annuity to which the member would be entitled under sub. (2), notwithstanding the age 55 requirement expressed therein, or

2. The sum of the amount of the annuity that can be purchased by the accumulation from additional deposits on the date the disability annuity begins, if the member so elects, plus the lesser of the following amounts: 50% of the final average compensation, or 1½% of the final average compensation multiplied by the number of years of creditable service including in the latter assumed service between the date the disability occurred and the 65th birthday of the member. Whenever the annuitant becomes eligible for disability benefits or for old-age benefits as a retired worker under the federal OASDHI system, the amount of his disability annuity other than any amount attributable to his additional deposits, shall be reduced by 20% of the amount thereof, but in no event shall such reduction lower the disability annuity below that which could have been provided under subd. 1. Such reduction shall be effective with the annuity payment for the 8th month after the annuity begins except during such period as the disability annuitant furnishes evidence to the fund that he is not eligible for benefits from the federal OASDHI system. Any annuity payable under this subsection shall not be subject to optional modification. All available required deposit accumulations, state deposit accumulations and state contributions shall be applied to the cost of any annuity provided under this subsection.

(c) Each initial determination of disability under this subsection shall be made by the state agency designated to make determinations of disability by agreement with and for the secretary of health, education and welfare under the federal social security laws. An initial determination of ineligibility shall be binding upon the board. An initial determination of eligibility may be accepted or rejected by the board. Continued eligibility for benefits under this subsection shall be determined in the same manner.

(d) This subsection shall not be effective as to any disability which occurred prior to July 1, 1966. Payment of a disability annuity under this subsection shall be effective as of the first day of the month following

the month in which the disability occurred, as determined by the board, but no payment shall be made for any period more than 60 days prior to the receipt by the board of a written application, on a form prescribed by the board, for such disability annuity. Such application shall be completed by the member or, if the member is incapacitated, by any person on behalf of the member.

(4) LIMITED DISABILITY ANNUITIES. If, before attaining age 55, a formula group member who has made required deposits for not less than a school year during each of 5 fiscal years, and who was employed in membership teaching or was on authorized leave of absence from membership teaching within the 12-month period immediately preceding the occurrence of disability, becomes physically or mentally incapacitated to such extent that the member is wholly, and presumably will be permanently, unable to engage in teaching, and furnishes proof thereof and that such disability has been existed for 60 days, the member shall be paid a life annuity during the continuance of such disability, in monthly payments of \$25 each, in addition to any other benefit which would be payable to such member pursuant to sub. (2) in the absence of the age 55 limitation expressed in sub. (2) (a). The board may at any time, not more than once in any year, require proof of the continuance of such disability and if the member fails to furnish satisfactory proof thereof, or if it appears at any time that the member has become able to engage in teaching, the \$25 monthly annuity payment provided herein shall cease. A member shall not receive an annuity under sub. (3) and this subsection at the same time.

(5) DEATH BENEFITS. (a) Any member of the formula group may, by written notice to the board, in such form as it approves, designate a sole beneficiary, or 2 or more beneficiaries to whom any death benefits payable at the death of the member shall be paid. The member may by a like written notice, change any previous designation. Such death benefits, except as otherwise provided in this subsection, shall be payable as an annuity or annuities payable monthly during the life of one or more beneficiaries, except that if any such annuity would be less than \$10 per month, the benefit shall be paid to the beneficiary in a single sum. If more than one beneficiary is designated and any of such designated beneficiaries predecease such member, the death benefit shall, unless the member has designated otherwise, be paid to the surviving beneficiaries in shares of equal value. The board may require proof of the death of deceased beneficiaries from the surviving beneficiaries. If no beneficiary has been designated by the member, or if no designated beneficiary survives the member, such death benefit shall be paid in a single sum to the estate of the member. If the designated beneficiary survives the member, but dies before making application for or receiving any benefits under this subsection, such death benefits shall be paid in a single sum to the estate of the deceased beneficiary upon the application of the executor or administrator of such estate. Such death benefit shall be the full amount of the accumulation in the retirement deposit fund to the credit of the member from the member's deposits made under s. 42.80 (6) and (7), plus:

1. An amount which is equal to twice the accumulation which would have resulted from the deposits made by such member under s. 42.80 (1) to (5) prior to July 1, 1966, if interest had been compounded thereon at the annual rate of 3% per annum, and

2. An amount which is equal to the accumulation on June 30, 1966, from state deposits made under s. 42.80 (6), compounded to the end of the last completed calendar month preceding his death at the respective rates of interest credited to individual accounts in the fixed annuity division from year to year, provided that any accumulation on June 30, 1966, from state deposits in the variable annuity division shall be so compounded

at the respective rates of earnings and capital gains and losses credited to individual accounts in the variable annuity division.

(b) Upon the death, after June 30, 1966, of a member age 60 or more of the formula group while employed in membership teaching, or while on authorized leave of absence from membership teaching, and if such member has not previously been granted an annuity under this subchapter, there may be paid in lieu of any other benefit under this subchapter a death benefit as follows:

1. If the designated beneficiary to whom a death benefit is payable is a spouse, child under age 21 (including legally adopted child), child age 21 or older if handicapped, or other dependent of such member, as determined by the board, a benefit having a present value at the day following the date of death of such member of the life annuity to the beneficiary which would have been payable if such member had been eligible to receive a retirement annuity beginning on the date of his death and had elected to receive such annuity in the optional form provided under s. 42.81 (15) (b) 1.

2. If there is more than one such designated beneficiary, the amount of such annuity and its present value shall be determined as if the oldest of such beneficiaries were the sole beneficiary.

(c) Upon the death of a formula group member receiving a disability annuity under sub. (3), a death benefit shall be payable to his beneficiary in the amount of the excess, if any, of the accumulations from member deposits applied to provide the annuity over the aggregate amount of annuity payments received by the member. If the beneficiary or beneficiaries to whom a death benefit is payable is a wife, minor child, or dependent husband designated as beneficiary on the date the disability annuity was approved, the death benefit shall not be less than:

1. If such death occurs prior to the 65th birthday of the member the present value, at the date of such death, of the annuity (terminating in the case of a minor child at the end of the month in which he reaches the age of 21) in the normal form of the monthly amount to which such beneficiary would have become entitled under par. (a) if such death had occurred on the day prior to the date on which the disability annuity commenced and if the death of the beneficiary or beneficiaries who failed to survive the disability annuitant had occurred prior to said date. For the purposes of this subsection, the \$10 minimum annuity provision in par. (a) shall be disregarded and present values shall be determined at the rate certified by the board; or

2. If such death occurs on or after the 65th birthday of the member, the excess, if any, of the accumulations from member deposits applied to provide the annuity over the aggregate amount of annuity payments received by the member after his 65th birthday.

(d) The payment of any death benefit under this subsection shall be subject to optional modification under s. 42.73 (7).

(6) SEPARATION BENEFITS. Any formula group member who has ceased membership teaching and is not on authorized leave of absence from membership teaching shall be paid the accumulation from the member's required and additional deposits, including the amount paid by the member pursuant to s. 42.80 (1) to (5), the total reduced by any amount transferred to the public employes social security fund for the payment of employe retroactive social security contributions pursuant to s. 42.71 (2) (d), upon filing with the board, before the 55th birthday of the member, a written request therefor and a full and complete discharge and release of all right, interest or claim on the part of the member to state deposit accumulations and to any benefit arising under this subchapter. Any member who has attained the age of 55 years, has ceased membership teaching, is not on authorized leave of absence from membership teaching and who is entitled to an annuity or annuities com-

mencing immediately for which (exclusive of any annuity purchased by the accumulation from additional deposits) the aggregate single premium does not exceed \$3,000, may be paid such single premium 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.

(7) RESERVES UPON WHICH ANNUITIES ARE BASED. All annuities paid under this section shall be paid from the reserve fund. If the annuity or part thereof is based on an accumulation in the retirement deposit fund, the board shall transfer such accumulation from the retirement deposit fund to the reserve fund. If the annuity or part thereof is not based on an accumulation in the retirement deposit fund, the board shall transfer from the state accumulation fund to the reserve fund an amount sufficient to establish the necessary reserve to pay such annuity. If the benefit is paid in a lump sum such payment may be made directly from the retirement deposit fund if based on an accumulation in said fund, from the reserve fund if based on a reserve in said fund, and otherwise from the state accumulation fund. The board may make such transfers between funds as may be necessary to carry out the purposes of this section.

(8) VARIABLE ANNUITIES. Except as provided in this section, s. 42.76 shall be applicable to formula group members.

(a) Each member of the formula group may elect, by written notice filed with the board upon a form furnished by said board, to have 50% of his required deposits and not to exceed \$5,000 in any fiscal year of his additional deposits, paid into the retirement deposit fund of the variable annuity division. With respect to members who so elect or who made such an election prior to becoming members of the formula group, there shall concurrently be paid into the state accumulation fund of the variable annuity division an amount equal to the amount of each required deposit paid into the retirement deposit fund of the variable annuity division after June 30, 1966.

(b) The retirement deposit fund after June 30, 1966, shall not include deposits or payments made by the state for formula group members. On July 1, 1966, there shall be established for the purpose of providing variable annuity benefits for members of the formula group the state accumulation fund of the variable annuity division in the amount equal to the aggregate amount of the accumulations from required deposits of all such members in the variable annuity division. Earnings and capital gains shall be credited to the state accumulation fund of the variable annuity division at the same time and in the same amounts as such earnings and capital gains are credited to individual accounts in the retirement deposit fund of the variable annuity division with respect to accumulations of required deposits which are subject to this section.

(c) The excess of the total annuity payable under this section over the initial amount of variable annuity payable, when both are computed in the normal form, will be paid as a fixed annuity.

42.79 ELECTION OF FORMULA GROUP BENEFITS BY MEMBERS OF SEPARATE GROUP. (1) Any separate group member who is eligible to elect to participate in the formula group under s. 42.77, and who so elects, shall be subject to all laws and rules applicable to the formula group, but he shall not be required to become subject to social security coverage. Each such separate group member shall also be subject to the following:

(a) For purposes of determining the amount of member deposits and state contributions, and for purposes of determining the amount of any benefit, with respect to each such member, it shall be assumed that the member is and was subject to subch. VI of ch. 40, and that the social security benefit expectancy of such member is the same as that of a combined

group member with the same salary and service experience, and the same age, whose social security coverage was effective January 1, 1955.

(b) An election by a separate group member to become a member of the formula group shall constitute a modification of his contract of employment.

(c) No such member shall be denied a disability annuity under s. 42.78 by reason of the lack of an initial determination of disability under s. 42.78 (3) (c) if the member's ineligibility by reason of insufficient coverage for OASDHI disability benefits prevents the issuance of such a determination. The reduction required by s. 42.78 (3) (b) 2 shall be effective as to each separate group member who elects to become a formula group member, on the basis established in par. (a).

(d) Each such member may elect to participate in the variable annuity division to the same extent and under the same procedures as other formula group members.

(e) The initial amount of retirement annuity of each separate group member who elects to become a member of the formula group, and who on or after September 9, 1965, becomes subject to subch. VI of ch. 40, shall be the amount determined pursuant to s. 42.78 (2) reduced by the annuity in the normal form which could be purchased by :

1. If determined pursuant to s. 42.78 (2) (b), the total amount transferred to pay retroactive social security taxes with respect to such member; or,

2. If determined pursuant to s. 42.78 (2) (c), one-half of the amount so transferred; or,

3. If determined pursuant to s. 42.78 (2) (d), one-half of the amount so transferred, but excluding any amount by which the accumulation specified in s. 42.78 (2) (d) 2 was reduced by reason of such transfer.

(f) If the amount of the retirement annuity of a member of both the separate and formula groups is less than the amount to which such member would have been entitled under s. 42.81 (17) (a) 3 the annuity shall be increased to such amount, and then adjusted as provided under s. 42.76 (12) if such person is a participant in the variable annuity. This paragraph shall be effective with all retirement annuities granted after June 1, 1967.

42.80 COLLECTION OF FUND. (1) Except as otherwise provided in sub. (2), beginning with the monthly payment of teachers' salaries in November, after the first meeting of the board the board of school directors shall reserve from the salary of each teacher who has come under this subchapter, and from every monthly payment thereafter, the sum of \$2 for the first 10 years of service, the sum of \$3 for the next 5 years of service, and thereafter the sum of \$4, and shall pay the sum so reserved into the retirement fund. Any teacher in the service at the time sub. (2) takes effect in any such city, and from whose salary reservations or deductions are made in accordance with this subsection, may, on or before November 1 in the year following the year in which sub. (2) takes effect in any such city, elect in writing to have the board of school directors reserve from the salary of such teacher the amounts provided for in sub. (2), and whenever such election is made by any such teacher, the granting of an annuity to such teacher under this subchapter shall be governed by and contingent upon s. 42.84 (2). Whenever any such teacher makes such election, any refunds to any such teacher under this subchapter shall be governed by s. 42.86 (2). Except as provided in s. 42.92, every teacher employed in the public schools of any such city at the time this subchapter becomes operative in any such city, and who shall not have come under its provisions on or before November 1, 1917 (in the case of public school teachers of any such city in which a public school teachers' retirement fund has been established), or, on or before the expiration of 2 years after this subchapter has become operative in such city (in the case of

public school teachers of any such city in which this subchapter becomes operative), shall be forever barred from coming under this subchapter.

(2) Beginning with the first monthly payment of teachers' salaries after September 1 in the year in which this subsection takes effect in any such city, the board of school directors shall reserve from the salary of each teacher who enters the teaching service after this subsection takes effect in any such city, and from the salary of each teacher who has come under this subsection after this subsection takes effect in any such city, and from every monthly payment thereafter, the sum of \$4 for the first 10 years of service, the sum of \$6 for the next 5 years of service, and thereafter the sum of \$8, and shall pay the sum so reserved into the retirement fund. After written election, as provided by sub. (1), by any teacher to have reservations from such teacher's salary made in accordance with this subsection, beginning with the first monthly payment of any such teacher's salary after such election, the board of school directors shall reserve from the salary of each such teacher, and from every monthly payment thereafter, the sum of \$4 for the first 10 years of service, the sum of \$6 for the next 5 years of service, and thereafter the sum of \$8, and shall pay the sum so reserved into the retirement fund. The granting of an annuity to any teacher from whose salary reservations are made in accordance with this subsection, shall be governed by and contingent upon s. 42.84 (2), and the payment of any refunds to any such teacher under this subchapter shall be governed by s. 42.86 (2).

(3) Beginning with the first monthly payment of teachers' salaries after September 1, 1945, in any such city, the board of school directors shall reserve from the salary of each teacher who enters teaching service, and from the salary of each teacher who elects to come under this subsection, and from every monthly payment thereafter, the sum of \$7 for the first 10 years of service, the sum of \$11 for the next 5 years of service, and thereafter the sum of \$15 but such reservations shall be limited to 10 in any school year, and shall pay the sums so reserved into the retirement fund. Any teacher from whose salary reservations or deductions have been made under s. 925-xx or sub. (1) or (2) may elect in such manner as the board prescribes to have reservations made from salary under this subsection and become entitled to benefits as provided herein. Any teacher who does not elect to come under this subsection within one year from June 1, 1949, shall be forever barred from coming under this subsection, except that any teacher on leave on June 1, 1949, may elect to come under its provisions within one year after returning to teaching service upon termination of such leave. Any teacher making such election after June 1, 1949, shall within one year after making such election pay into the retirement fund the difference between the amount of salary reservations provided under this subsection and the salary reservations actually made during the period from September 1, 1946, to the date of such election with interest at 3% per annum in order that such election may become effective. Annuities payable to teachers coming under this subsection shall be determined as provided in s. 42.81 (13), subject to s. 42.84 (3), and payment of refunds shall be governed by s. 42.86 (2).

(4) Beginning with the first monthly payment of teachers' salaries after September 1, 1951, the board of school directors in any such city shall reserve from the salary of each teacher who enters teaching service, and, beginning with the first monthly payment after such election, from the salary of each teacher who elects to come under this subsection, and from every monthly payment thereafter, the sum of \$12 for the first 10 years of service, and thereafter the sum of \$20, but such reservations shall be limited to 10 in any school year, and shall pay the sums so reserved into the retirement fund. Any teacher from whose salary reservations or deductions have been made under s. 925-xx or sub. (1), (2) or (3) may elect in such manner as the board prescribes to have reservations made from

salary under this subsection and become entitled to benefits as provided herein, except that any teacher from whose salary reservations or deductions are being made under s. 925-xx or sub. (1) or (2) shall within one year after making such election pay into the retirement fund the difference between the amount of salary reservations provided under sub. (3) and the salary reservations actually made during the period from September 1, 1946, to the date of such election with interest at 3% per annum, in order that such election may become effective. Any teacher who does not elect to come under this subsection within one year from June 30, 1951, shall be forever barred from coming under this subsection, except that any teacher on leave on the date of this subsection may elect to come under its provisions within one year after returning to teaching service upon termination of such leave. Annuities payable to teachers coming under this subsection shall be determined as provided in s. 42.81 (16), subject to s. 42.84 (5), and payment of refunds shall be governed by s. 42.86 (2).

(5) Beginning with the first monthly payment of teachers' salaries after September 1, 1953, the board of school directors in any such city shall reserve from the salary of each teacher who enters teaching service, and, beginning with the first monthly payment after such election, from the salary of each teacher who elects to come under this subsection, and from every monthly payment thereafter, the sum of \$17 for the first 10 years of service, and thereafter the sum of \$26, but such reservations shall be limited to 10 in any school year, and shall pay the sums so reserved into the retirement fund. Any teacher from whose salary reservations or deductions have been made under s. 925-xx or sub. (1), (2), (3) or (4), may elect in such manner as the board prescribes to have reservations made from salary under this subsection and become entitled to benefits as provided herein. Any teacher who does not elect to come under this subsection within one year from June 4, 1953, shall be forever barred from coming under this subsection, except that any teacher on leave on said date may elect to come under its provisions within one year after returning to teaching service upon termination of such leave. Annuities payable to teachers coming under this subsection shall be determined as provided in s. 42.81 (17), subject to s. 42.84 (6), and payment of refunds shall be governed by s. 42.86 (2).

(6) DEPOSITS FOR MEMBERS OF COMBINED GROUP. (a) Beginning with the first monthly payment of teachers' salaries after August 31, 1958, the board of school directors in any such city shall reserve from the salary of each teacher who is a member of the combined group an amount equal to 4½% of all compensation received for teaching service performed by such teacher.

(b) Any such member, or any person on behalf of any such member, may make additional deposits.

(c) A state deposit on behalf of each such teacher shall be made in an amount equal to the member's deposit reserved under par. (a). State deposits shall be credited as of June 30 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 s. 42.75 (2), or transferred pursuant to s. 42.74 (3), immediately before such withdrawal 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 retirement fund under s. 20.255 (2) (fm).

(d) All amounts reserved from the salaries of such members, or deposited by or on behalf of such members, shall be held for the benefit of the individual teacher in the retirement deposit fund for the purpose of providing an annuity or other benefit as provided in this subchapter.

(7) DEPOSITS FOR MEMBERS OF THE FORMULA GROUP. (a) Beginning with the first monthly payment of teachers salaries after June 30, 1966, the board of school directors in any such city shall reserve from the salary of each teacher who is a member of the formula group an amount equal to 4½% of all compensation received for teaching service performed by such teacher which is subject to contributions under subch. VI of ch. 40, plus 7% of such compensation in excess of the amount subject to such contributions, but no reservation shall be required with respect to compensation for teaching service subsequent to the June 30 following or coincident with the 70th birthday of any teacher.

(b) Any such member, or any person on behalf of any such member, may make additional deposits.

(c) All amounts reserved from the salaries of such members, or deposited by them, shall be held for the benefit of the individual teacher in the retirement deposit fund for the purpose of providing an annuity or other benefit under this section.

(d) State contributions with respect to members of the formula group shall be made as provided in s. 42.89 (6).

42.81 PAYMENT OF ANNUITIES. (1) All applications or claims for annuity or for refund of contributions, and proof in support of any such claim, shall be made to the board in such manner and form as the board prescribes or deems sufficient, and the board may make reasonable rules for making, hearing and determining claims and for carrying into effect this subchapter. The state treasurer, upon order or warrant of the board, shall pay out of the annuity account of said retirement fund, in monthly payments, to each retired teacher an annuity in such sum as the retired teacher is entitled to as determined by the board, in accordance with this subchapter.

(2) A teacher who has taught 25 years in public schools, at least 15 of which must have been served in the public schools of a city to which this subchapter applies, upon filing proper application with the board, sufficient proof of teaching service, the date of retirement therefrom, compliance with this subchapter with respect to required contributions, and a certificate of incapacity for teaching service sworn to by his attending physician and by a physician employed by the board, and upon determination by the board that such teacher presumably is incapacitated permanently for teaching service, shall be paid an annuity of \$600.

(3) For every additional year of service over 25, a teacher, entitled to an annuity under this subchapter, shall be paid an additional sum of \$40 a year; but every such additional year of service shall have been rendered in the public schools in such city of the 1st class, and in no case shall any pension or annuity exceed the sum of \$1,200 a year. Said additional sum of \$40 a year and said maximum sum of \$1,200 a year shall be applicable only to teachers who retired from service on June 23, 1931, and thereafter and in respect to whom monthly salary reservations have been made in the amounts provided in s. 42.80 (1) or (2).

(4) A teacher who has taught 5 years or more in the public schools in any such city, and who has become incapacitated for teaching service and has paid the amount of 5 years' contribution or more, upon filing with the board proper application, sufficient proofs of teaching service, temporary cessation from active teaching service for 6 months preceding application, compliance with this subchapter with respect to required contributions, and a certificate of such incapacity sworn to by his attending physician and by a physician employed by the board, and upon determination by the board that such teacher presumably is incapacitated temporarily for teaching service, may be allowed and paid, 6 months after he has ceased, temporarily, active teaching service, and for the duration of such incapacity, a proportionate annuity, the amount of which, to be determined by the board, shall be, as nearly as practicable as many

twenty-fifths of \$600 as the years of teaching service of such teacher in the public schools in said city are a part of 25, and such annuity shall cease when the incapacity ceases. If such incapacity becomes permanent and if such teacher retires from the teaching service of such city, the board, upon its determination that such teacher has retired and presumably is incapacitated permanently for teaching service, may allow and cause to be paid to such teacher a proportionate annuity, which shall be, as nearly as practicable, as many twenty-fifths of \$600 as the years of teaching service of such teacher in the public schools in said city are a part of 25.

(5) A teacher who has taught 15 or more years and less than 25 years in public schools, at least 15 of which must have been served in the public schools of a city to which this subchapter applies, and who has attained the age of 65 years, having paid the full amount of contribution for each year of such teaching service in public schools, upon filing with the board proper application, sufficient proofs of age, teaching service, the date of retirement therefrom, and compliance with this subchapter with respect to contributions, shall be allowed and paid a proportionate annuity which shall be, as nearly as practicable, as many twenty-fifths of \$600, as the years of teaching service of such teacher in public schools are a part of 25.

(6) Upon certification to the board by the superintendent of schools, if any, and the board of school directors, by its proper officers, that a teacher who has come under this subchapter presumably is mentally or physically incapacitated permanently for teaching service, and has been retired from teaching service because of such incapacity, and upon filing with the board by such school officers sufficient proof in support of such teacher's incapacity, length of teaching service, and compliance with this subchapter with respect to contributions, the board shall allow and cause to be paid to such teacher an annuity, the amount of which shall be, as nearly as practicable, as many twenty-fifths of \$600 as the years of teaching service of such teacher are a part of 25.

(7) On the application of any teacher coming under this subchapter, and having complied therewith, the board shall retire such teacher if he has been engaged in the work of teaching in public schools for a period aggregating 35 years, 20 of which have been in the public schools of such city and such teacher shall be entitled to receive and be paid the annuity provided for in subs. (2) and (3).

(8) On the application of any teacher coming under this subchapter who has complied therewith and is 65 years of age, the board shall retire such teacher if he has been engaged in the work of teaching for a period aggregating 25 years in public schools, 15 years of which have been in the public schools in said city, and such teacher shall be entitled to receive and be paid the annuity provided for in subs. (2) and (3).

(9) In determining the teaching service record and the amount of annuity payable under this subchapter to an applicant who, at the time of applying for an annuity under this subchapter, is entitled to any benefit, absolute, contingent or otherwise, under subch. I, or under the provisions of any teachers' retirement plan of any other state, territory, nation, province or governmental subdivision thereof, no credit shall be allowed or given by the board to such applicant for teaching service performed outside of a city to which this subchapter applies for which outside teaching service such applicant is entitled to any benefit, absolute, contingent or otherwise, under the provisions of any other teachers' retirement plan as hereinbefore specified. This subsection shall not affect any rights acquired under this subchapter prior to the taking effect of this subsection in any such city.

(10) Computation and payment of annuities granted under subs. (4) and (6) shall be made on the proportionate basis therein provided

for teaching service of less than 25 years only. For teaching service of 25 years or more, computation and payment of annuities granted under subs. (4) and (6) shall be made as provided in subs. (2) and (3).

(11) Any teacher coming under this subchapter who has attained or attains the age of 70 years shall be retired by the board at the end of the school year in which the teacher reaches the age of 70. When so retired under this subsection, a teacher who has taught 15 or more years in public schools, at least 15 of which have been served in the public schools of a city to which this subchapter applies, and who has paid the full amount of contributions for each year of such teaching service in public schools, upon filing with the board proper application, sufficient proof of age, teaching service, the date of retirement therefrom, and compliance with this subchapter with respect to the contributions, shall be allowed and paid an annuity computed on the proportionate basis provided in sub. (5) for teaching service of less than 25 years and on the basis provided in subs. (2) and (3) for teaching service of 25 years or more.

(12) In determining the teaching service record and computing the amount of annuity payable under this subchapter the board shall credit each applicant for annuity with time absent on leave from teaching duty while serving in the military or naval forces of the United States, or in any auxiliary branch thereof, or in the merchant marines, or in overseas service of the American Red Cross or in the overseas service of any United Service Organization, during any war, or during a period officially proclaimed to be a national emergency or limited national emergency or under P.L. 87-117; and the board shall credit each applicant for annuity, serving as aforesaid, with a sum equivalent to the total amount which would have been reserved from and after September 16, 1940, from the salary of such applicant for payment into the retirement fund if such applicant's teaching duties had not been interrupted by such service, upon proof of such service being furnished to the board.

(13) Any teacher from whose salary reservations have been made in accordance with s. 42.80 (3) shall become eligible for an annuity under the following conditions:

(a) 1. Upon certification for total and permanent disability as provided in sub. (6); or

2. Upon certification of temporary disability after 5 years or more of teaching service in the public schools of a city to which this subchapter applies, as provided in sub. (4); or

3. After 10 or more years of teaching service in a city to which this subchapter applies, having ceased to render teaching service in the public schools of a city to which this subchapter applies and having attained the age of 55 years and upon compliance with s. 42.84 (3) and if no refund of contributions has been paid to such teacher as provided in s. 42.86 (2).

(b) The annuity payable shall be determined as follows: Where the period of service is less than 25 years the annuity shall be as many twenty-fifths of \$800 as the years of teaching service are part of 25, and for the period of service of 25 years or more the annuity shall be \$800 for the first 25 years of service, increased by \$85 for each additional year of service, but shall not exceed \$1,650 in any event.

(14) Any teacher who is a member of the retirement fund may elect in writing to authorize the board of school directors to reserve from the salary of such teacher beginning with the first monthly payment of teachers' salaries after such election and from every monthly payment thereafter the sum of \$1, but such reservations shall be limited to 10 in any school year, and to pay the sums so reserved into the retirement fund. Any teacher who does not make such election within one year after becoming a member of the retirement fund shall be forever barred from coming under this subsection. Upon the death of any teacher who has

elected to come under this subsection before retirement or withdrawal from teaching service, his designated beneficiary, or in the absence of such designation, his executors or administrators shall be entitled to a death benefit of \$1,500 in addition to the refund of contributions as provided in s. 42.86, upon application therefor and upon proof of the death of said teacher and establishment of claim to the satisfaction of the board. If any teacher who has elected to come under this subsection is on leave of absence, such teacher shall pay into the fund the amounts required under this subsection in lieu of the salary reservations herein authorized within 30 days of the due date of each payment and if such payments are not made the right to a death benefit under this subsection shall terminate. Upon the retirement of any teacher who has elected to come under this subsection, such teacher may elect to continue the benefit under this subsection for a period of one year from the date of retirement upon payment to the fund at the date of such election the single sum of \$10.

(15) Any teacher who is entitled to any annuity under this subchapter may elect that in lieu of the annuity payable for the life of the annuitant as herein provided, the annuity shall be paid as follows:

(a) An annuity payable monthly to the annuitant during life, with a guarantee of at least 180 monthly payments, and in the event of the death of the annuitant before 180 monthly payments have been made, the remainder of the monthly payments shall be continued to the beneficiary designated by the annuitant, 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 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 becoming entitled to receive monthly payments but before all such payments have been received, the then present value of the remaining payments shall be paid in a single sum to the estate of the secondary beneficiary; in the event of the death of the annuitant before 180 monthly payments have been made with no beneficiary surviving the annuitant, the then present value of the remaining payments shall be paid in a single sum to the estate of the annuitant; or

(b) An annuity payable monthly to the annuitant during life and after the death of the annuitant monthly payments of:

1. The amount paid to the annuitant, or
2. One-half the amount paid to the annuitant, to be continued during life to the beneficiary designated by the annuitant in the original application for the annuity. Any such optional annuity shall be the actuarial equivalent of the life annuity herein provided. Any form of annuity entered upon by the annuitant cannot thereafter be changed.

(16) (a) Any teacher from whose salary reservations have been made in accordance with s. 42.80 (4) shall become eligible for an annuity under the following conditions:

1. Upon certification for total and permanent disability as provided in sub. (6); or
2. Upon certification for temporary disability after 5 years or more of teaching service in the public schools of a city to which this section applies, as provided in sub. (4); or
3. After 10 or more years of service in a city to which this section applies, having ceased to render teaching service in the public schools of a city to which this section applies and having attained the age of 55 years and upon compliance with s. 42.84 (5) and if no refund of contribution has been paid to such teacher as provided in s. 42.86 (2). The annuity payable shall be determined as follows: Where the period of service is less than 10

years, the annuity shall be as many tenths of \$450 as the years of teaching service are a part of 10, and for the periods of service of 10 years or more the annuity shall be \$450 for the first 10 years of service, increased by \$66 for each additional year of service, but shall not exceed \$2,100 in any event.

(17) Any teacher from whose salary reservations have been made in accordance with s. 42.80 (5) shall become eligible for an annuity under the following conditions:

(a) 1. Upon certification for total and permanent disability as provided in sub. (6); or

2. Upon certification for temporary disability after 5 years or more of teaching service in the public schools of a city to which this subchapter applies, as provided in sub. (4); or

3. After 10 or more years of service in a city to which this subchapter applies, having ceased to render teaching service in the public schools of a city to which this subchapter applies and having attained the age of 55 years and upon compliance with s. 42.84 (6) and if no refund of contributions has been paid to such teacher as provided in s. 42.86 (2).

(b) The annuity payable shall be determined as follows: Where the period of service is less than 10 years, the annuity shall be as many tenths of \$600 as the years of teaching service are a part of 10, and for the periods of service of 10 years or more the annuity shall be \$600 for the first 10 years of service, increased by \$84 for each additional year of service, but shall not exceed \$2,700 in any event.

(18) Except for subs. (1), (14) and (15), this section shall not apply to members of the combined group established under s. 42.72.

42.82 SUPPLEMENTAL BENEFIT. (1) Any member of a teachers retirement fund created under this subchapter who, having completed not less than 20 years of teaching in the public schools of a city of the 1st class prior to June 1, 1965, and having attained the age of 60 years (whether before or after the date of termination of such teaching service or November 7, 1965), is not eligible for a retirement annuity computed pursuant to s. 42.78, shall be eligible to receive monthly a supplemental benefit, subject to a continuation of the appropriation made by s. 20.515 (2) (a), determined as follows:

(a) Five dollars for each year of teaching in the public schools of a city of the 1st class while a member of the retirement fund (but not to exceed 32 such years), reduced by the total of the following amounts:

1. The initial monthly amount of any annuity payable from the retirement fund resulting from service as a teacher (other than any annuity provided by voluntary additional deposits), adjusted for purposes of this section to the initial amount of any such annuity which would have been payable on a straight life annuity basis.

2. The monthly amount of any other benefit payable from the retirement fund resulting from service as a teacher, adjusted as provided in subd. 1.

3. The monthly amount of any OASDHI primary or disability insurance benefit payable to the member as of January 1, 1966, or, if later, as of the first day of the month for which the member would, upon application therefor, be entitled to such OASDHI benefit. For purposes of this subsection, OASDHI primary or disability insurance benefits shall be deemed to have been paid for every month for which the member was eligible for such benefit, notwithstanding the fact that payment of such benefit was not made due to lack of application therefor or for any other reason.

(2) The age and service requirements specified in sub. (1) shall not apply with respect to any member who is otherwise eligible for a supplemental benefit hereunder who is receiving a disability annuity pursuant to s. 42.74 (1) (b). The service requirement specified in sub. (1) shall not apply with respect to any member who is otherwise eligible for a sup-

plemental benefit hereunder who is receiving a disability annuity under this subchapter.

(3) Any supplemental benefit payable by virtue of the operation of this section shall not in any way augment, reduce or affect the death benefit otherwise payable to a beneficiary of any member.

(4) Any supplemental benefit payable by virtue of the operation of this section shall be paid from the general purpose revenues of the state, from the appropriation made by s. 20.515 (2) (a), but no such supplemental benefit shall be paid for any month prior to January 1966.

(5) Determinations of eligibility and the amount of any payment to be made pursuant to this section shall be made by the board, and shall be certified by the board for payment as specified in s. 42.70 (1) (f).

42.83 UNIFORMITY. All annuities granted by the board under this subchapter shall be uniform in amount except as otherwise provided herein. Annuities under s. 42.81 (1) to (17) shall be computed from the first day of the month next following the date of retirement of the annuitant from teaching service in such city, except that the temporary incapacity annuity provided for in s. 42.81 shall be computed from a date 6 months after such annuitant temporarily has ceased active teaching service. No annuity, except the temporary incapacity annuity provided for in s. 42.81 and the disability annuity under s. 42.74 (1) or (2), shall be paid to any person until such person has retired from teaching service in the public schools to which this subchapter applies. No teacher is deemed to have retired from teaching service until such teacher has resigned from his position, or the board of school directors of such city has legally caused such teacher's name to be stricken from the official list of teachers; except that a teacher is deemed to have retired from teaching service if he has received a disability annuity under s. 42.74 (1) or (2) for 36 consecutive months; but the board of school directors of such city may permit the employment of a retired teacher of any age to teach as a substitute for a period of not more than 95 days in any one school year, without forfeiture of any retirement allowance.

42.84 ANNUITIES; WHEN PAYABLE. (1) No annuity shall be paid to any teacher from whose salary reservations have been made in accordance with s. 42.80 (1) until such teacher has contributed to the annuity and retirement fund the following sums: \$200 for the first 10 years of service, \$150 for the next 5 years of service, and \$40 for every succeeding year of service.

(2) No annuity shall be paid to any teacher from whose salary reservations have been made in accordance with s. 42.80 (2) until such teacher has contributed to the retirement fund the following sums: \$400 for the first 10 years of service, \$300 for the next 5 years of service, and \$80 for every succeeding year of service.

(3) No annuity shall be paid on retirement to any teacher from whose salary reservations have been made in accordance with s. 42.80 (3) until such teacher has contributed to the retirement fund the sum of at least \$1,500 under s. 42.80 (3) in addition to the amounts required, if any, while under s. 925-xx, or at least \$750 under s. 42.80 (3) in addition to any amounts required while under s. 42.80 (1) or (2). Any teacher making application for retirement under s. 42.81 (13) who has not contributed the sum of \$1,500 under s. 42.80 (3) in addition to the amounts required, if any, while under s. 925-xx, shall pay into the retirement fund the difference between the amount actually contributed under s. 42.80 (3) and \$1,500, which amount may be paid, at the option of the member, by deduction from the annuity payments for the first year; and any teacher making application for retirement under s. 42.81 (13) who has not contributed the sum of at least \$750 under s. 42.80 (3) in addition to the amounts required while under s. 42.80 (1) or (2) shall pay into the retire-

ment fund the difference between the amounts actually contributed under s. 42.80 (3) and \$750, which amount may be paid, at the option of the member, by deduction from the annuity payments for the first year.

(4) No teacher shall be required to pay into such fund under s. 42.80 (1) to (5) for more than 40 years, except that such limitation shall not apply to the requirements of subs. (1), (2), (3), (5) and (6). An annuity may be applied for by a contributing teacher and may be granted or allowed by the board prior to the retirement of the applicant from teaching service, but no annuity shall be paid until all requirements of this subchapter have been complied with the applicant.

(5) No annuity shall be paid on retirement to any teacher from whose salary reservations have been made in accordance with s. 42.80 (4) until such teacher has contributed to the retirement fund at least \$1,000 under s. 42.80 (4) in addition to the amounts required while under s. 42.80 (1), (2) or (3). Any teacher making application for retirement under s. 42.81 (16) who has not contributed the sum of at least \$1,000 under s. 42.80 (4) in addition to the amounts required while under s. 42.80 (1), (2) or (3), shall pay into the retirement fund the difference between the amounts actually contributed under s. 42.80 (4) and \$1,000 which amount may be paid, at the option of the member, by deduction from the annuity payments for the first year. Compliance with this subsection shall not be required to qualify for a temporary disability annuity.

(6) No annuity shall be paid on retirement to any teacher from whose salary reservations have been made in accordance with s. 42.80 (5) until such teacher has contributed to the annuity and retirement fund at least \$1,300 under s. 42.80 (5) in addition to the amounts required while under s. 42.80 (1), (2), (3) or (4). Any teacher making application for retirement under s. 42.81 (17) who has not contributed the sum of at least \$1,300 under s. 42.80 (5) in addition to the amounts required while under s. 42.80 (1), (2), (3) or (4), shall pay into the annuity and retirement fund the difference between the amounts actually contributed under s. 42.80 (5) and \$1,300 which amount may be paid, at the option of the member, by deduction from the annuity payments for the first year. Compliance with this subsection shall not be required to qualify for a temporary disability annuity.

42.85 INFORMATION TO BE FURNISHED BOARD. The board of school directors of any such city shall notify the board, in writing, on the first day of each month, of the employment or appointment of any new teachers, and of all discharges, dismissals, suspensions and resignations from the service, and all deaths which have occurred in the teaching corps during the preceding month, and such written notification shall state the dates upon which any such events occurred. The officers and heads of departments or the board of school directors are charged with the duty of furnishing the board, without any charge or expense to the board, all information requested by the board concerning any employe under the charge of or supervision of such officers, heads of departments or the board of school directors, which information the board needs in the performance of its duties.

42.86 REFUND OF CONTRIBUTIONS. (1) Any contributing teacher from whose salary reservations have been made in accordance with s. 42.80 (1) who retires voluntarily or involuntarily from the service, not being in receipt of an annuity, shall be entitled to receive one-half of the total amount paid by him into the retirement fund, and in case of the death of any such contributing teacher, his heirs or legatees shall be entitled to receive one-half of the total amount paid by such teacher into the retirement fund, upon application therefor and upon proof of death of said contributing teacher, and establishment of said claim to the satisfaction of the board.

(2) Any contributing teacher from whose salary reservations have been made in accordance with s. 42.80 (2), (3), (4) or (5) and who retires voluntarily or involuntarily from the service, not being in receipt of an annuity, shall be entitled to receive the total amount paid by him into the retirement fund under said subsections, and in case of the death of any such contributing teacher, has designated beneficiary, or in the absence of such designation, his executors or administrators shall be entitled to receive the total amount paid by such teacher into the retirement fund as above provided, upon application therefor and upon proof of death of said contributing teacher, and establishment of said claim to the satisfaction of the board. In case of the death of an annuitant who has contributed to the retirement fund the amounts provided for in ss. 42.80 (2), (3), (4) or (5) and 42.84 (2), (3), (5) or (6) prior to the time when such annuitant has received as annuity, in monthly payments, an aggregate amount equal to the amount paid into the retirement fund by said annuitant under s. 42.84 (2), (3), (5) or (6), the designated beneficiary, or in the absence of such designation, the executors or administrators of said deceased annuitant shall be entitled to receive an amount equal to the difference between the amount paid into said fund as aforesaid by said annuitant and the amount paid to said annuitant, as annuity, during said annuitant's life, upon application therefor and upon proof of death of said annuitant and establishment of said claim to the satisfaction of the board.

(3) In the event of the death of a contributing teacher from whose salary reservations have been made in accordance with s. 42.80 (1), (2), (3) or (4) while employed in the public schools in a city to which this section applies and who has qualified by reason of age and service for an annuity under s. 42.81, the designated beneficiary of such teacher, or in the absence of such designation, the estate of such teacher shall be entitled to a death benefit in lieu of such refund, which shall be the actuarial equivalent of the life annuity to which such teacher would have been entitled if retirement had taken place on the date of death. Such death benefit shall be reduced by the amount of any award under ch. 102 to such beneficiary on account of the death of the member. Such death benefit may be paid in one sum or in instalments for a guaranteed period or as a life income to the beneficiary as may have been elected by such teacher in writing. In the absence of such election by the teacher such election may be made by the beneficiary after the death of the teacher. Such death benefit shall be in lieu of any payment provided in sub. (2).

(4) In the event of the death of a contributing teacher from whose salary reservations have been made in accordance with s. 42.80 (4) while employed in the public schools in a city to which this section applies and who has qualified by reason of years of service for an annuity under s. 42.81, the designated beneficiary or beneficiaries of such teacher, subject to the restrictions contained herein, shall be entitled to a death benefit which shall be the actuarial equivalent of the life annuity to which such teacher would have been entitled if retirement had taken place on the date of death, except that when the death of the teacher occurs at an age less than age 55, the amount of the death benefit shall be the actuarial equivalent of the life annuity to which the teacher would have been entitled for the period of service rendered if retirement had taken place at age 55. Such death benefit shall be paid as a life annuity to the designated beneficiary or beneficiaries. If more than one beneficiary is designated, the teacher may elect in writing the manner in which the death benefit shall be apportioned to the beneficiaries; in the absence of such election, the death benefit shall be apportioned in equal shares to the beneficiaries, and each beneficiary shall be entitled to the life annuity provided by his share. No beneficiary shall be entitled to the payment of benefits under this subsection unless such beneficiary bears one of the following relationships to the teacher: wife, husband, child, father, mother, sister or brother.

The death benefit under this subsection shall be in lieu of any payment provided in sub. (2).

(5) This section shall apply in the case of any member of the combined group established under s. 42.72 who dies before September 1, 1958, but not in the case of any such member who dies after August 31, 1958.

42.87 EXECUTION, TAXATION, ATTACHMENT, GARNISHMENT; EXEMPT FROM. All annuities granted under this subchapter shall be exempt from taxation, and from execution, attachment and garnishment process, and no annuitant shall have the right to transfer or assign his annuity. The exemption from taxation contained herein shall not apply with respect to any tax on income.

42.88 PROBATION PERIOD. All elections or appointments of teachers in such cities shall be on probation, and after successful probation, and after successful probation for 3 years, the election or appointment shall be permanent, during efficiency or good behavior, provided that teachers having taught 3 years or more in cities to which this section applies shall be deemed to have served their term of probation. No teacher who has become permanently employed as herein provided by reason of 3 or more years of continuous service, shall be discharged, except for cause upon written charges, which shall after 10 days' written notice thereof to such teacher, upon such teacher's written request, be investigated, heard and determined by the board of school directors, whose action and decision in the matter shall be final.

42.89 MAINTENANCE OF ASSETS. The board shall at all times maintain assets in the retirement fund as follows:

(1) In the reserve fund at least equal to the present value of the prospective payments under annuities which have been granted.

(2) In the retirement deposit fund equal to the liabilities for deposits and earnings and capital gains accretions.

(3) In the general fund as of June 30 of each year, at least equal to the following ratios to the present value of all future payments of benefits from the general fund, namely: the actual percentage of such assets to such present value on August 31, 1957, which percentage shall be increased by 2½% on August 31, 1957; and the actual percentage of such assets to such present value on August 31, 1957, which percentage shall be increased by 2½% on August 31, 1958, and on August 31, of each year thereafter, until and including August 31, 1960, and on June 30 thereafter, but not to exceed 100%. On each June 30 the board shall cause a valuation to be made of the funds on such basis as they may establish to determine the amount necessary to maintain the assets of the fund under this subsection, and shall certify the amount required to maintain the assets of the fund each year as provided in s. 42.71 (1) (e). As of July 1, 1966, the board shall transfer to the state accumulation fund 34-3/4% of the present value of all future payments of benefits from the general fund to members of the formula group. Thereafter the general fund shall be applied solely to provide benefits for members of the combined group and the separate group.

(4) As of July 1, 1966, the board shall establish the state accumulation fund for the benefit of members of the formula group by the transfer provided in sub. (3) and by the transfer from the retirement deposit fund of the accumulations from state deposits in the accounts in the fixed annuity division and in the variable annuity division of all such members.

(6) For the purpose of providing benefits of members of the formula group under this subchapter, the state shall pay each fiscal year to the retirement fund for credit to the state accumulation fund as provided by s. 42.71 (1) (e), the amount equal to the sum of the normal contribution and the accrued liability contribution for such year. The amounts of such contributions shall be determined annually by the board on the basis of

such estimates of interest, mortality, salary increases and dropout rates as are applied to the system, and such other tables as the board approves, as follows:

(a) The accrued liability shall be determined as of June 30, 1966, as the then present value of all future benefits to or for the then members of the formula group to be paid or purchased from the state accumulation fund, less the present value of a percentage of the prospective future compensation of such members, and less the amount then credited to the state accumulation fund. The percentage referred to in the preceding sentence shall be determined as the uniform percentage of the compensation of all such members which if contributed throughout the entire period of the employment of each as a teacher in membership teaching would be sufficient to provide for all benefits to be paid or purchased on their behalf from the state accumulation fund. The accrued liability contribution shall be the uniform annual amount required to liquidate the accrued liability within 40 years from July 1, 1966.

(b) The normal contribution rate for any fiscal year commencing after June 30, 1965, shall be the uniform percentage of the compensation of all members of the formula group determined as of the first day of such fiscal year by deducting from the then present value of all future benefits to be paid or purchased from the state accumulation fund on behalf of the then members of the formula group, the amount then credited to said fund and the present value of future accrued liability contributions, and dividing the remainder by the present value of the prospective future compensation of all such members.

42.90 TEACHERS IN ANNEXED TERRITORY. (1) Whenever territory has been or is annexed to or consolidated with any city to which this subchapter applies, any teacher employed in any public school in such territory who has acquired or acquires the status of a regularly appointed teacher in the public schools of the city to or with which such territory has been or is annexed or consolidated, shall be entitled to the rights and privileges provided for in this subchapter upon complying with this subchapter. As to such teachers, for the purpose of qualifying for an annuity under this subchapter, time spent in teaching in such territory prior to the annexation or consolidation thereof shall be considered as time spent in teaching in such city, except that s. 42.81 (9) shall apply to such teachers.

(2) No teacher mentioned in sub. (1) shall be required to comply with s. 42.40 after the effective date of such annexation or consolidation nor, as to such teachers, shall ss. 42.41 to 42.44 be applicable or effective after the effective date of such annexation or consolidation.

42.91 WITHDRAWALS FROM STATE TEACHERS RETIREMENT SYSTEM. (1) When a member of the state teachers retirement system ceases to be employed in a school or school system to which the state teachers retirement law applies and becomes employed in a position in a school or school system to which this subchapter applies such member may elect in writing, filed with the state teachers retirement board, to withdraw the total accumulation from such member's deposits in the state teachers retirement system, under s. 42.49 (1), and to discharge, release, waive and forfeit all interest, right or claim on the part of such member or his heirs, assigns, beneficiaries or estate under the state teachers retirement law. The amendment (1961) is retroactive to August 16, 1957, and shall apply to all withdrawals under this subchapter since that date. The member's deposits based on teaching service after September 1, 1958, which, prior to this amendment, were forfeited under this subchapter shall be paid to any member who has suffered such forfeiture.

(2) Subsection (1) 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 s. 38.24 (22), 1949 Stats., by chapter 511, laws of 1951.

42.92 TEACHERS UNDER OLD SECTION. Section 925-xx, heretofore in effect, fixing the amounts and conditions of payments of any assessments, refunds and annuities thereunder, shall remain in force and shall be referred to for the purpose of determining such amounts and conditions of payments until all such payments have been made, insofar as said provisions apply to teachers in the public schools of cities of the 1st class who are in the service at the time this section takes effect in any such city, and insofar as said provisions apply to pensioners or annuitants under said s. 925-xx. Every teacher in the schools of any such city where a pension system has been established at the time this section takes effect in any such city who desires to avail himself of the rights and benefits conferred and to assume the limitations and assessments imposed by this subchapter, shall file a written application therefor and consent thereto within 3 years from November 1 in the year in which this section takes effect in any such city. Every such teacher who fails to file such written application and consent within the time prescribed by this section shall be forever barred from coming under this subchapter. The filing of such application and consent by any teacher who heretofore has come under s. 925-xx shall operate as a substitution by such teacher of the provisions of this subchapter in lieu of s. 925-xx, fixing the amounts and conditions of payments of any assessments, refunds and annuities for such teacher. Any teacher in the service at the time this section takes effect in any such city who had not elected to come under s. 925-xx and who elects to come under this subchapter shall, within 5 years from the date upon which this section takes effect in any such city, pay as arrearages, into the retirement fund, in addition to the current monthly payments provided in this subchapter, a sum equal to the various payments, compounded semi-annually at the rate of 4% interest, which would have been made by such teacher if he had elected to come under s. 925-xx. Payment of such arrearages by any such teacher shall be made, within said 5 years, in the manner the board determines.

42.93 TEACHERS' ADDITIONAL RETIREMENT BENEFITS. (1) Every person who is an annuitant under a public school teachers retirement fund created in cities of the 1st class and who retired before June 11, 1947, shall be paid an additional \$1 per month, beginning with July 1, 1951, or with the date on which the annuitant elects to come under this provision if such date is after July 1, 1951, for each year of teaching service for which credit was given under this subchapter, but for not more than 35 years of such teaching service. The sum of the annuity of such annuitant and the increase provided herein shall not exceed \$1,650 per year. Annuitants to be eligible for this additional payment shall, not later than January 1, 1952, elect to come under this provision, and each such annuitant shall pay into said fund the sum of \$100 at the time of such election. This additional annuity shall cease at the death of the annuitant.

(2) Every person who is an annuitant under a public school teachers retirement fund created in a city of the 1st class, who is 65 years of age or more, or who attains such age, who taught 20 years or more in the public schools in this state, and who retired before January 1, 1952, shall be paid an additional \$1 per month, beginning July 31, 1957, for each year of teaching service for which credit was given under this subchapter but not in excess of 40 years. The sum of the annuity of such annuitant under this subchapter and the increase provided under this subsection shall not exceed \$1,800 per year. The additional benefit paid under this

subsection shall cease at the death of the annuitant. Benefits may not be received under this subsection and sub. (1) at the same time.

42.94 **BENEFITS EXTENDED.** Any teacher employed as a continuous substitute teacher in the public schools of any such city, who has acquired or acquires the status of a regularly appointed teacher therein, shall be entitled to credit for the years of such substitute teaching service for the purpose of qualifying for an annuity pursuant to this subchapter, if the teacher pays into the retirement fund all monthly instalments for the accrued period of such substitute teaching service; and provided such teacher who taught as a continuous substitute teacher and who acquired the status of a regularly appointed teacher before June 12, 1945, makes such instalment payments within 2 years after June 12, 1945; and provided that any continuous substitute teacher who hereafter acquires the status of a regularly appointed teacher makes such instalment payments within 2 years after the date of such appointment. Any substitute teacher who teaches a minimum of 100 days in any school year shall be deemed to be a continuous substitute teacher.

42.95 **SUBSTITUTE TEACHERS; INCLUSION.** Any person employed in the public schools of any city to which this subchapter applies, who has not acquired the status of a regularly appointed teacher and who has taught continuously in said schools, for a period of 3 school years or more of not less than 100 days each as a substitute, may elect within the time and in the manner prescribed by the board to become a member of said fund as of the beginning of the fiscal year following said election, but not before September 1, 1958, under those provisions which apply to new teachers entering teaching service of such city. Persons becoming members of said fund under this section shall not have any other status, right or privileges of regularly appointed teachers.

42.96 **OTHER WORKERS ELIGIBLE.** All full-time social center, community house, adult education or recreation directors, instructors or other employes employed by the board of school directors, who possess the qualifications required by law and the rules of the board for employment as teachers and as such directors, instructors or other employes employed as hereinabove provided in such city, shall have the status, rights and privileges of regular teachers and shall be and are regular instructors within the meaning of that term as used in 42.70 (2) (g).

SECTION 81. Title VI-B of the statutes is created to read:

Title VI-B.

CULTURAL AND MEMORIAL INSTITUTIONS.

(to precede chapter 43 of the statutes)

SECTION 82. 45.50 (2) of the statutes is amended to read:

45.50 (2) The service of any person who is or was restored to a position in accordance with sub. (1) shall be deemed not to be interrupted by such absence, except for the receipt of pay or other compensation for the period of such absence and he shall be entitled to participate in insurance, pensions, retirement plans or other benefits offered by the employer pursuant to established rules and practices relating to employes on furlough or leave of absence in effect with the employer at the time such person entered or was enlisted, inducted or ordered into such forces and service, and shall not be discharged from such position without cause within one year after such restoration; and such discharge is subject to all federal or state law affecting any municipal or private employment; and subject to the provisions of contracts that may exist between employer and employe. Each county, town, city or village shall contribute or pay from September 16, 1940, all contributions of the employer to the applicable and existent pension, annuity or retirement system as though the service of any such employe had not been interrupted by such military service, ~~provided that~~.

In the case of teachers such payment shall be made as provided in ~~ss. 119.24~~
~~and~~ ch. 42.

SECTION 83. 66.89 of the statutes is renumbered 41.07 (3).

SECTION 84. 66.89 of the statutes is renumbered 41.01.

SECTION 85. 66.901 (intro.) and (15) of the statutes are repealed.

SECTION 86. 66.901 (1) to (3), (4) (a), (c), (d) and (k) and (4a) to (14a) and (16) to (22), 66.902 (1) to (6), 66.903, except sub. (2), to 66.905, 66.906 (1) to (5) and 66.9065 to 66.91, except 66.909 (5a), of the statutes are renumbered 41.02 (3) to (5), (6) (a), (b), (c) and (d) and (7) to (27) and (29) to (34), 41.05 (1) to (9), 41.07 to 41.10, 41.11 (1) to (13) and 41.12 to 41.16, respectively.

SECTION 87. 66.9025 of the statutes is renumbered 41.06.

SECTION 88. 66.903 (2) of the statutes is repealed.

SECTION 89. 66.909 (5a) of the statutes is renumbered 41.15 (5) (c) and amended to read:

41.15 (5) (c) It is the intent of the option provided in ~~sub. (5)~~ *this subsection* that so far as is practicable such life annuity and temporary annuity will be determined in such amounts that the widow's total anticipated retirement benefits from the fund and her survivors benefit from the federal OASDHI system will be the same both before and after attainment of age 62. Section ~~66.909~~ 41.14 (2) (d) shall apply to an annuity granted under ~~sub. (5)~~ and this subsection.

SECTION 90. 66.911 and 66.912 of the statutes are repealed.

SECTION 91. 66.913 and 66.914, 66.915 (1) and (5) to (8) and 66.916 to 66.918 of the statutes are renumbered 41.17 and 41.18, 41.19 (1) and (2) to (4) and 41.20 to 41.22, respectively.

SECTION 92. 66.9185 of the statutes is repealed.

SECTION 93. 66.919 (1) of the statutes is renumbered 40.10 (1).

SECTION 94. 66.919 (2) of the statutes is repealed.

SECTION 95. 66.919 (3) of the statutes is renumbered 40.10 (2).

SECTION 96. 66.919 (4) (intro.), (f) and (g) of the statutes are repealed.

SECTION 97. 66.919 (4) (a) (intro.), 1 (intro.), a and b, 2 (intro.), a and b, 3, 4 and 5, (c) to (e), (h), (5) (a) and (b), (6) (a), (b) 1 and 2 and (c) to (e), (7) (a) to (c), (7a), (8) (a) to (e), (9) (a) to (c), (10), (11) (a), (b) and (d), (12) and (12a) are renumbered 40.11 (2) (intro.), (a) (intro.), 1 and 2, (b) (intro.), 1 and 2, (c), (d) and (e), (3) to (5), (6), 40.12 (1) and (2), 40.13 (1), (2) (a) and (b) and (3) to (7), 40.14 (1) to (3), 40.145, 40.15 (1) to (6), 40.16 (1) to (3), 40.17, 40.18 (1) to (3) and 40.19 (1) and (2), respectively.

SECTION 98. 66.919 (13) of the statutes is repealed.

SECTION 99. 66.919 (14), (15) (a) to (cc), (d) 1 and 2 and (e) to (i), (16), (21), (25) and (30) of the statutes are renumbered 40.19 (3), 40.20 (1) to (5), (6) (a) and (b) and (7) to (11), 40.23, 40.21, 40.22 and 40.10 (2) (d), respectively.

SECTION 100. 66.99 of the statutes is repealed.

SECTION 101. 119.24 to 119.27 of the statutes are repealed.

SECTION 102. Wherever the term "ss. 42.20 to 42.54" appears in ss. 42.20 to 42.54 of the statutes, substitute the term "this subchapter".

SECTION 103. Wherever the term "colleges" appears in the following statutes, substitute the term "universities": 42.20 (13), (14), (21) and (24), all as renumbered, 42.242 (1) (a), (5), (7), 42.243 (7) (e) and (g), 42.245 (2) (dm), 42.27, 42.35 (3) and (4), 42.40 (7), 42.45 (1) (a) and (3), 42.49 (1), (2), (3), (4) (a), (5), (6), (7), (8), (10), (14) and (15) and 42.51 (3).

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SECTION 104. Wherever the phrase "federal old-age, survivors and disability insurance" or the term "OASDI" appears, substitute "OASDHI" in the following statutes, all as renumbered: 41.02 (22) (intro.), (b) and (c), 41.11 (6) (c) 3. a and b, 4 and (9) and 41.13 (2) (c) 2.

SECTION 105. Delete the term "executive" from the following statutes, all as renumbered: 41.06, 41.10 (3), 41.12 (10) (b), 41.18 (1) and (4), 41.21 (1a) and (1b) and 41.23.

SECTION 106. In the statutory sections listed in column "A" below, the cross references in column "B" are changed to the references shown in column "C".

A	B	C
Statutory sections	Old cross references	New cross references
13.51 (2) (f)	119.24	subch. II of ch. 42
15.161 (1)	23.14	subch. II of ch. 41
(2)	66.919	subch. II of ch. 40
(4)	119.24 to 119.27	subch. II of ch. 42
15.251 (intro.)	66.912	41.03 (3)
15.761	42.65	41.50
	42.66	41.51
16.08 (3) (b)	66.901 (4) (c)	41.02 (6) (b)
16.276 (1) (a)	23.14	subch. II of ch. 41
20.255 (2) (f)	66.99	subch. VI of ch. 40
	119.24 (3)	42.72
(2) (fm)	119.24 (9) (e)	42.71 (2) (e)
20.515 (1) (a)	66.919	subch. II of ch. 40
	66.99	subch. VI of ch. 40
(q)	23.14	subch. II of ch. 41
(s)	42.20 to 42.54	subch. I of ch. 42
(t)	66.90 to 66.9185	subch. I of ch. 41
(2) (a)	119.24 (12a)	42.82
(b)	42.65 to 42.68	subch. III of ch. 40
(c)	66.919	subch. II of ch. 40
	66.99	subch. VI of ch. 40
(q)	23.14	subch. II of ch. 41
(t)	66.99	subch. VI of ch. 40
(u)	42.20 to 42.54	subch. I of ch. 42
(v)	66.90 to 66.9185	subch. I of ch. 41
20.625 (1) (b)	66.89	41.07 (3)
20.855 (2)	66.902 (6) (b)	41.05 (9)
20.865 (1) (d)	23.14	subch. II of ch. 41
	66.90	41.01
	66.903 (2) (i)	41.07 (2) (d)
	66.905 (1) (a)	41.10 (1) (a)
(1) (d)	66.905 (8)	41.10 (8)
	66.919	subch. II of ch. 40
	66.99	subch. VI of ch. 40
25.17 (1) (c)	23.14	subch. II of ch. 41
(1) (L)	66.99 (9)	40.42 (6)
(1) (v)	42.20 to 42.54	subch. I of ch. 42
(1) (wm)	119.24	subch. II of ch. 42
(1) (y)	66.919	subch. II of ch. 40
(1) (z)	66.90 to 66.918	subch. I of ch. 41
(4)	119.24	subch. II of ch. 42
(5)	66.90 (2)	41.01 (2)
	119.24 (6)	42.76
25.28 (1)	42.20 to 42.54	subch. I of ch. 42
(3)	119.24 (4) (g)	42.75 (1)
	119.24 (6) (c)	42.76 (3)

A	B	C
Statutory sections,	Old cross references	New cross references
	119.24 (6) (j)	42.70 (10)
	119.24 (11) (f)	42.80 (6)
(4)	42.20 (2) (d)	42.20 (5) (d)
42.242 (3) (a)	42.20 (6r) (a)	42.20 (10) (a)
42.244 (1)	66.99	subch. VI of ch. 40
42.245 (1) (b)	42.20 (17) (a)	42.20 (26) (a)
42.246 (1) (a), (e)	66.99	subch. VI of ch. 40
42.25	42.20 (6r)	42.20 (10)
42.27	42.20 (6r)	42.20 (10)
42.28	42.20 (6r)	42.20 (10)
42.40 (6)	42.20 (17)	42.20 (26)
	66.99	subch. VI of ch. 40
42.46 (1)	42.20 to 42.54	this subchapter
(3)	42.20 to 42.54	this subchapter
42.49 (4) (b) and (6), (7) and (9)	42.20 to 42.54	this subchapter
42.50 (4)	42.20 to 42.54	this subchapter
42.51 (1), (3), (6)	42.20 to 42.54	this subchapter
42.52	66.919	subch. II of ch. 40
42.53	42.20 to 42.54	this subchapter
42.54	42.20 to 42.54	this subchapter
43.22	119.24 (19)	42.70 (2) (q)
45.50 (2)	119.24	subch. II of ch. 42
61.65 (6), (7)	66.90 to 66.918	subch. I of ch. 41
62.13 (9) (e), (9a), (10) (f), (g)	66.90 to 66.918	subch. I of ch. 41
66.191 (1)	66.90 to 66.918	subch. I of ch. 41
(2)	23.14	subch. II of ch. 41
(3)	66.901 (4) (d)	41.02 (6) (c)
(5)	66.907	41.13
72.04 (6)	23.14	subch. II of ch. 41
	66.90 to 66.918	subch. I of ch. 41
	119.24 to 119.27	subch. II of ch. 42
77.54 (9a)	66.901 (2)	41.02 (4)
110.07 (3)	66.90 to 66.918	subch. I of ch. 41
116.03 (5)	42.20 (13)	42.20 (20)
119.09 (3)	119.24 (19)	42.70 (2) (q)
119.16 (4) (c)	119.24 (19)	42.70 (2) (q)
119.19	119.24	subch. II of ch. 42
119.08 (4) (n)	119.24	subch. II of ch. 42
252.071 (1)	66.90 to 66.918	subch. I of ch. 41
253.02 (6) (a)	66.89	41.07 (3)
256.54 (3)	66.90 to 66.918	subch. I of ch. 41
256.54 (7)	66.901 (16)	41.02 (29)

SECTION 107. In the renumbered statutory sections listed in column "A" below, the cross references in column "B" are changed to the references shown in column "C".

A	B	C
Statutory sections, all as renumbered	Old cross references	New cross references
40.11 (2) (b) (intro.)	66.906 (1) (a)	41.11 (1) (a)
(2) (c)	section	subchapter
(2) (d)	section	subchapter
(2) (e)	section	subchapter
(4)	66.907	41.13
	23.14 (7)	41.34

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A	B	C
Statutory sections, all as renumbered	Old cross references	New cross references
40.12 (2)	par. (a)	sub. (1)
	sub. (11) (a)	40.18 (1)
40.13 (1)	par. (b)	sub. (2)
	par. (e)	sub. (7)
(2) (a)	par. (a)	sub. (1)
(2) (b)	par. (a)	sub. (1)
(3)	66.906 (1) (a)	41.11 (1) (a)
(4)	par. (c)	sub. (3)
	sub. (8)	40.15
(7)	par. (b)	sub. (2)
	sub. (15)	40.20
40.14 (1)	section	subchapter
40.145	section	subchapter
40.15 (3)	sub. (12a)	40.19 (2)
	subsection	section
	sub. (6)	40.13
(4)	par. (c)	sub. (3)
	66.906 (1) (a)	41.11 (1) (a)
	66.918 (1) (a)	41.22 (1) (a)
	23.14 (12)	41.41
(5)	subsection	section
40.16 (2)	subsection	section
	sub. (12a)	40.19 (2)
(3)	sub. (12)	40.19 (1)
40.19 (1)	66.906 (1) (a)	41.11 (1) (a)
(2)	sub. (4) (a) 1. b	40.11 (2) (a) 2
40.20 (1)	section	subchapter
	66.901 (2)	41.02 (4)
(3)	section	subchapter
	sub. (12)	40.19 (1)
(5)	section	subchapter
(6) (a)	sub. (4)	40.11
	66.901 (3)	41.02 (5)
(7)	sub. (8) (d)	40.15 (5)
	subsection	section
(8)	par. (c)	sub. (4)
(10)	par. (c)	sub. (4)
(11)	sub. (11) (b)	40.18 (2)
40.21	section	subchapter
	sub. (4) (a)	40.11 (2)
40.23	section	subchapter
41.01 to 41.22	66.90 to 66.918	this subchapter
41.01 (2)	66.9065	41.12
41.02 (7)	66.903	41.07
(8)	66.9045	41.09
(9) and (10)	66.9045	41.09
(11) (f)	66.9045	41.09
(12) (a)	42.20 (14)	42.20 (21)
(12) (i)	66.906	41.11
	66.903	41.07
(13)	sub. (5)	sub. (12)
(14)	66.906 (2)	41.11 (6)
	66.903 (2) (f) 1	41.07 (2) (a) 1
	66.90 to 66.918	subch. I of ch. 41
	66.903 (2) (f) 2	41.07 (2) (a) 3
(16) and (17)	66.9045	41.09

A	B	C
Statutory sections, all as renumbered	Old cross references	New cross references
(20)	66.904	41.08
(21) (intro.) and (b)	66.906 (2)	41.11 (6)
(22) (intro.)	66.906 (2)	41.11 (6)
(22) (a) and (b)	sub. (11a)	sub. (21)
(22) (a) and (c)	66.99	subch. VI of ch. 40
(22) (b)	66.906 (2)	41.11 (6)
(26)	66.906 (2)	41.11 (6)
	66.906 (3)	41.11 (7)
	66.906 (3a)	41.11 (8)
	66.907	41.13
	66.909	41.15
(27)	66.9065	41.12
(30)	66.902	41.05
(31)	66.916	41.20
(34)	66.905	41.10
41.05 (3)	66.905	41.10
	sub. (2)	sub. (5)
(4)	66.915 (5)	41.19 (2)
	66.917	41.21
(6) (intro.)	66.904	41.08
(a)	ss. 42.20 to 42.54	SUBCH. I of ch. 42
(6) (n)	66.901 (5) (i)	41.02 (12) (i)
	66.904	41.08
(6) (r)	66.901 (5) (i)	41.02 (12) (i)
(7)	66.9045	41.09
(9) (a) 2	66.901 (5) (i)	41.02 (12) (i)
(9) (b) 4	66.903 (2) (h)	41.07 (2) (c)
41.06 (1)	66.99	subch. VI of ch. 40
(2)	66.903 (2) (f)	41.07 (2)
41.07 (1) (a) 1 and 2	66.902	41.05
(1) (a) 5 and 6	66.901 (5) (i)	41.02 (12) (i)
(1) (b)	66.9045	41.09
(1) (c)	66.901 (4) (d)	41.02 (6) (c)
(3)	66.901 to 66.918	subch. I of ch. 41
	66.919	subch. II of ch. 40
	66.99	subch. VI of ch. 40
41.08 (1) (a) 3	66.906 (4) (a)	41.11 (12) (a)
	66.907	41.13
(1) (a) 4	66.904 (1) (a) 2	subd. 2
(1) (a) 8	66.915	41.19
	66.905	41.10
(1) (a) 9	66.901 (9)	41.02 (18)
	66.915 (1) (b)	41.19 (1) (b)
	66.905 (2) (b)	41.10 (2) (b)
(1) (a) 14	66.901 (4)	41.02 (6)
(1) (b) 4	66.908	41.14
(1) (b) 5	par. (a) 2. d	s. 66.904 (1) (a) 2. d
(1) (d)	66.901 (4)	41.02 (6)
(1) (e)	66.903 (2) (a) 2	41.07 (2) (a) 7
(3) (bb)	66.904 (3)	par. (b)
41.09 (2)	66.902 (1c)	41.05 (2)
	66.905 (6)	41.10 (6)
	66.901 (4) (d)	41.02 (6) (c)
(5)	66.901 (4)	41.02 (6)
41.10 (1) (a)	66.903 (2) (e)	41.07 (2) (b)
(2) (c)	66.906	41.11

A	B	C
Statutory sections, all as renumbered	Old cross references	New cross references
	66.916	41.20
(2) (d)	66.907	41.13
(5)	66.905 (1) (b)	sub. (1) (b)
	(2) (a) and (b)	sub. (2) (a) and (b)
41.11 (4)	66.901 (5) (i)	41.02 (12) (i)
(5)	66.90 to 66.918	subch. I of ch. 41
(6) (a) 1	66.912 (1) (b)	41.04 (1) (b)
41.11 (6) (c)	66.99	subch. VI of ch. 40
(7) (a)	66.906 (2)	sub. (6)
(7) (b)	66.908	41.14
(7) (d)	66.908	41.14
(7) (f)	66.906 (2)	sub. (6)
(8)	sub. (2)	sub. (6)
(9)	66.908	41.14
	sub. (2)	sub. (6)
(11)	66.91	41.16
	sub. (2)	sub. (6)
(12) (b)	sub. (3a)	sub. (8)
41.12 (2)	66.904	41.08
(3)	66.903 (2) (a) 2	41.07 (2) (a) 7
(4) (a)	66.904	41.08
(6) (a)	66.904	41.08
(6a)	66.915	41.19
41.12 (7) (b)	66.916	41.20
(8) (a)	66.906	41.11
	66.907	41.13
	66.909	41.15
(8) (b)	66.906	41.11
	66.907	41.13
	66.909	41.15
(9) (b)	66.916	41.20
(11)	66.906 (3a)	41.11 (8)
	66.906 (3b)	41.11 (9)
	66.907 (2)	41.13 (2)
(12) (a) 1	66.904	41.08
(12) (a) 2	66.91	41.16
41.13 (2) (a) 1	66.903	41.07
(2) (c) 1	66.906 (2)	41.11 (6)
(3) (c) 1	66.906	41.11
(3) (h)	66.901 (2)	41.02 (4)
41.14 (2) (a)	66.903	41.07
(2) (c)	66.906 (3) or (3a)	41.11 (7) or (8)
(2) (e) (intro.)	66.907 (2)	41.13 (2)
(2) (f)	66.904	41.08
41.15 (4)	66.906 (3)	41.11 (7)
(5a)	66.908 (2) (d)	41.14 (2) (d)
(6) (c)	66.908	41.14 (2) (d)
(8)	66.908	41.14
41.19 (1) (a) to (e)	66.905	41.10
(1) (f)	66.906 (4)	41.11 (12)
	66.907	41.13
(1) (g)	66.9065	41.12
41.19 (1) (h)	66.905	41.10
(2) (b)	66.917	41.21
(2) (c)	66.903	41.07
41.20 (1) (b)	66.906 (2)	41.11 (6)

A	B	C
Statutory sections, all as renumbered	Old cross references	New cross references
	66.905 (2) (c)	41.10 (2) (c)
	66.907	41.13
(1) (c)	66.905	41.10
(2) (a)	66.906 (4)	41.11 (12)
(2) (a)	66.907	41.13
41.21 (1) (b)	66.905	41.10
41.22 (1) (a)	66.919	subch. II of ch. 40
	66.90 to 66.918	subch. I of ch. 41
(5)	66.906 (4)	41.11 (12)
	66.907	41.13
	66.918 (1) (b)	sub. (1) (b)
41.53	42.66	41.51
	66.99 (3)	40.41 (2)
42.20 (14)	119.24	subch II of ch. 42
(26) (b)	66.99	subch. VI of ch. 40

SECTION 108. If LRB-8 of 1969 becomes law, section 42.88 of the statutes, as created by this act, is repealed.

SECTION 109. EFFECT. This act shall control as to format and sequence but not substance of any future legislation affecting the chapters of the statutes herein established, or affecting the statutes from whence this act was derived, particularly s. 23.14, ch. 42, ss. 66.89 to 66.919, s. 66.99 and ss. 119.24 to 119.27 of the 1967 statutes.

SECTION 110. TRANSITIONAL PROVISION. The transfer to the state treasurer of all fiscal and accounting responsibility previously exercised by the city treasurer of the city of Milwaukee under s. 119.24 [Stats. 1967] shall be accomplished at such time and in such manner as is directed by the employe trust funds board.

Approved August 29, 1969.
