

1977 Assembly Bill 626

Date published: December 8, 1977

## CHAPTER 182, Laws of 1977

AN ACT to repeal 61.65 (3), (6) and (7), 62.13 (4) (f), (9), (9a) and (10) and 62.135; to amend 15.161 (3), 40.20 (6) (a), 40.41 (2), 41.05 (1), 61.65 (1) and (4), 62.13 (4) (b) and (7), 66.04 (2), 66.12 (3) (b), 66.191 (1) and (5) and 67.08 (2); to repeal and recreate 41.02 (12) (b); and to create 41.23 (6) and subchapter IV of chapter 41 of the statutes, relating to retirement programs for municipal police officers and fire fighters.

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

SECTION 1. 15.161 (3) of the statutes is amended to read:

15.161 (3) WISCONSIN RETIREMENT FUND BOARD. 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 and IV of ch. 41, ss. 13.50 (6), 13.51 (3) and (4), ~~61.65 (6) and (7), 62.13 (9) (e), (9a) and (10) (f) and (g), 66.191, 108.04 (13) (e), 110.07 (3) and 165.25 (4).~~

SECTION 2. 40.20 (6) (a) of the statutes is amended to read:

40.20 (6) (a) The personnel of any participating employer as defined in s. 41.02 (5) who meet the requirements of s. 40.11 other than state employment, or who are included under a retirement plan pursuant to ~~s. 61.65, 62.13 (9) or (10)~~ subch. IV of ch. 41 or s. 66.80.

SECTION 3. 40.41 (2) of the statutes is amended to read:

40.41 (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 employers 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), 1975 stats., included under the agreement as to ~~police~~ police officers, 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~~ fire fighter's position.

SECTION 4. 41.02 (12) (b) of the statutes is repealed and recreated to read:

41.02 (12) (b) Who are subject to subch. IV.

SECTION 5. 41.05 (1) of the statutes is amended to read:

41.05 (1) Any employer, except a city which on March 31, 1972 was a city of the 1st class, a county having a population of 500,000 or more and the state, shall be included within and subject to the provisions of this fund by so electing, in accordance with this section. If the official notice of election to be included has been received by the board on or before November 15 the effective date of participation of such employer shall be the ensuing January 1; otherwise the effective date shall be the January 1 after the ensuing January 1. The state is hereby included, effective January 1, 1948. A city or village which has not elected to participate but some of whose employes will be included within and subject to this fund on or after January 1, 1948 shall be included within and subject to this fund effective January 1, 1948, as though such employer had elected to participate herein in this fund, but until such employer does actually so elect and such election becomes effective, its employes included within and subject to this fund shall be only those specified by ss. 61.65 (6) and (7), 62.13 (9) (e), (9a), (10) (f) and (g), 1975 stats.

SECTION 6. 41.23 (6) of the statutes is created to read:

41.23 (6) Any person who receives a benefit from the Wisconsin retirement fund in accordance with s. 41.60 (4), for the month in which receipt of such a benefit becomes effective, shall be eligible to receive the supplemental benefits determined in accordance with this section, but no such supplemental benefit shall be payable for any month before receipt of such a benefit is effective.

SECTION 7. Subchapter IV of chapter 41 of the statutes is created to read:

#### CHAPTER 41

#### SUBCHAPTER IV

#### RETIREMENT PROGRAM FOR MUNICIPAL POLICE OFFICERS AND FIRE FIGHTERS

**41.60 Transitional provisions.** (1) TERMINATION OF MUNICIPAL PENSION FUNDS FOR POLICE OFFICERS AND FIRE FIGHTERS; TRANSFER OF LIABILITIES. At the close of business on the effective date of this act (1977), each pension fund created under s. 61.65 or 62.13 (9), (9a) or (10), 1975 stats., shall cease to exist, whereupon the liabilities of each such fund shall be transferred to the Wisconsin retirement fund. Each such transfer shall be determined by the actuary and approved by the Wisconsin retirement fund board, and shall be reflected on the accounts of the Wisconsin retirement fund as follows:

(a) An amount equal to 4% of the salary of each employe throughout his or her membership in a pension fund affected by this section shall be credited as employe normal contributions to the individual account of each such employe who is employed

as a member of such a pension fund on the effective date of this act (1977); an amount equal to each such credit shall be added to the accrued liability of the employer under subch. I of ch. 41.

(b) An amount equal to the reserve for future benefits for members of each pension fund affected by this section who retired on or before the effective date of this act (1977), and for their survivors, shall be transferred from the accumulation account under s. 41.19 (5) for credit to the appropriate reserve under s. 41.20 (2) (a); an amount equal to each such credit shall be added to the accrued liability of the employer under subch. I of ch. 41.

(c) An amount equal to the present value of benefits expected to become payable to or on behalf of each person who is employed on the effective date of this act (1977) as a member of a pension fund affected by this section, adjusted by the present value of future contributions with respect to such employes as required by sub. (2) (a) and by amounts credited under par. (a), shall be added to the accrued liability of the employer under subch. I of ch. 41.

(2) EMPLOYE AND EMPLOYER CONTRIBUTIONS. (a) Effective for earnings as defined by s. 61.65 or 62.13 (9), (9a), or (10), 1975 stats., paid after the effective date of this act (1977):

1. Each employe affected by this section shall make contributions to the Wisconsin retirement fund in an amount equal to 4% of salary.

2. The employer of each employe affected by this section shall make contributions to the Wisconsin retirement fund in an amount equal to the percentage of earnings for protective occupation participants determined under s. 41.105 (2).

(b) The employer of each employe affected by this section shall also pay to the Wisconsin retirement fund the amount necessary, in accordance with s. 41.105, to amortize the increase in the accrued liability of each employer as determined under sub. (1).

(c) In lieu of the amortization payment required under (b), the employer has the option of paying the increase in accrued liability provided by sub. (1) on a pay-as-you-go basis, as determined by the actuary. The board shall determine the timing and procedure for exercising that option.

(d) Any employer affected by this section may also make advance contributions at any time under s. 41.105 (1) (d).

(3) BOARD AUTHORITY. After the effective date of this act (1977), the Wisconsin retirement fund board shall assume, and thereafter be responsible for, all authority previously exercised by village or city officials relative to pension funds and benefits provided under ss. 61.65 and 62.13 (9), (9a), and (10), 1975 stats., except that rule-making authority and operational planning functions shall be assumed by the employe trust funds board.

(4) BENEFITS OF RETIRED MEMBERS AND SURVIVORS CONTINUED. Each benefit being paid under s. 61.65 or 62.13 (9), (9a), or (10), 1975 stats., on the effective date of this act (1977) shall be continued in full force and effect, on the terms and conditions under which the benefit was granted, if otherwise legal, but after that date each benefit shall be paid by the Wisconsin retirement fund and shall be subject to s. 41.23 (6).

(5) RIGHTS OF ACTIVE MEMBERS. After the effective date of this act (1977), each member of a pension fund created under s. 61.65 or 62.13 (9), (9a), or (10), 1975 stats., who was an actively employed member of any such fund on the effective date of this act (1977) shall continue to have benefits and obligations determined in accordance with the applicable provisions of s. 61.65 or 62.13 (9), (9a), or (10), 1975 stats., but paid by the Wisconsin retirement fund. The provisions of s. 41.11 relating to compulsory retirement shall not apply to such actively employed members.

(6) VALUATIONS REQUIRED. As soon as possible after the effective date of this act (1977), the department of employe trust funds, in accordance with s. 40.02, shall

arrange for an actuarial valuation as of the effective date of this act (1977) of the liabilities of each pension fund affected by this section. The results of the valuation shall be used as the basis for the fund transfers and employer contributions required by this section.

(7) EXCLUSION. Notwithstanding any other provision of this section, this section shall not be applicable to any pension fund operated by a city of the 1st class in accordance with s. 62.13 (10) (h), 1975 stats.

SECTION 8. 61.65 (1) and (4) of the statutes are amended to read:

61.65 (1) Every village having a population of 5,000 or more, according to the last federal census, shall have a police department, and every village having a population of 5,500 or more shall have a fire department, with chiefs and subordinates; a board of police and fire commissioners; ~~a police pension fund and a firemen's pension fund and shall be subject to subch. IV of ch. 41.~~ All matters pertaining to the board and to appointments, promotions, suspensions, removals, dismissals, reemployment, compensation, rest days, ~~sources of pension funds, control, management and administration of pension funds, eligibility for and payment of pensions,~~ exemptions, organization and supervision of departments, contracts and audits, shall be administered, regulated and otherwise governed by s. 62.13 ~~and amendments thereto,~~ insofar as ~~the same that section~~ that section pertains to cities of the ~~second 2nd or third 3rd~~ class. Appointments to the police and fire commission ~~shall be~~ are not be subject to confirmation by the village board unless required by ordinance.

(4) Persons who are members of the police departments in villages of 5,000 or more, and members of fire departments in villages of 5,500 or more, according to the last federal census, shall automatically and without examination, become members of the police and fire departments of such villages under this section ~~and shall be entitled to pension benefits, in accordance with the provisions of this section, for all prior service rendered.~~

SECTION 9. 61.65 (3), (6) and (7) of the statutes are repealed.

SECTION 10. 62.13 (4) (b) and (7) of the statutes are amended to read:

62.13 (4) (b) Any person who, on June 23, 1943 ~~shall have~~ has served and acted as a full-time city police patrolman, patrolwoman or police officer performing the services by virtue of regular assignment therefor under the orders and supervision of the chief of police of said city, and receiving his or her salary on the regular official payroll of said police department for a continuous period of more than 10 years, although not regularly appointed from an eligible list, ~~shall be is~~ is deemed to have been regularly appointed, as of the time of the commencement of his or her service, ~~and upon payment into the police pension fund of the amounts required by law since said time, shall be entitled to the same pension rights under this section as if employed for such period as a regular appointee.~~

(7) COMPENSATION. The salaries of chiefs and subordinates shall be fixed by the council. ~~All other moneys of any nature received by them shall be accounted for in the manner provided in paragraph (a) of subsection (9) and paragraph (a) of subsection (10), respectively, and the chiefs shall make verified reports thereof to the council quarterly.~~ Unless the council otherwise provides, in cities of the ~~fourth 4th~~ class rewards for the apprehension of criminals may be retained by the person entitled thereto. Such salaries when so fixed may be increased but not decreased by the council without a previous recommendation of the board. The council may provide that the salaries shall increase with length of service, ~~and nothing herein shall interfere with the power of the council to grant a pension to persons provided in subsections (9) and (10).~~

SECTION 11. 62.13 (4) (f), (9), (9a) and (10) of the statutes are repealed.

SECTION 12. 62.135 of the statutes is repealed.

SECTION 13. 66.04 (2) of the statutes is amended to read:

66.04 (2) INVESTMENTS. Any county, city, village, town, school district, drainage district, vocational, technical and adult education district or other governing board as defined by s. 34.01 (4) may invest any of its funds not immediately needed in time deposits in any bank, savings bank, trust company or savings and loan association which is authorized to transact business in this state, such time deposits maturing in not more than one year, or in bonds or securities issued or guaranteed as to principal and interest of the U.S. government, or of a commission, board or other instrumentality of the U.S. government, or bonds or securities of any county, city, drainage district, vocational, technical and adult education district, village, town or school district of this state or, in the case of a town, city or village, in any bonds or securities issued under the authority of such municipality, whether the same create a general municipality liability or a liability of the property owners of such municipality for special improvements, and may sell or hypothecate the same. Any county, city, village or town may also invest surplus funds in the local government pooled-investment fund or the local government trust-investment fund. Cemetery perpetual care funds, ~~pension funds under s. 62.13 (9) or (10)~~, or endowment funds including gifts where the principal is to be kept intact may also be invested under ch. 881.

SECTION 14. 66.12 (3) (b) of the statutes is amended to read:

66.12 (3) (b) All forfeitures and penalties recovered for the violation of any ordinance, resolution or bylaw of any city or village shall be paid into the city or village treasury for the use of such city or village, ~~except as otherwise provided in s. 62.13 (9) (a)~~. The municipal justice or judge shall report and pay into the treasury, quarterly, or at more frequent intervals if so required, all moneys collected ~~by him~~ belonging to such city or village, which report shall be certified and filed in the office of the treasurer; and ~~he~~ the justice or judge shall be entitled to duplicate receipts for such moneys, one of which ~~he~~ or she shall file with the city or village clerk.

SECTION 15. 66.191 (1) and (5) of the statutes are amended to read:

66.191 (1) Whenever a ~~policeman~~ police officer, ~~fireman~~ fire fighter, county undersheriff, deputy sheriff, county traffic ~~policeman~~ police officer, conservation warden, state forest ranger, field conservation employe of the department of natural resources who is subject to call for forest fire control or warden duty, member of the state traffic patrol, university of Wisconsin full-time ~~policeman~~ police officer, guard or any other employe whose principal duties are supervision and discipline of inmates at a state penal institution including central state hospital, investigator employed by the division of criminal investigation of the department of justice who is a participating employe under subch. I or IV of ch. 41 shall, while engaged in the performance of duty, be injured or contract a disease due to his or her occupation, and be found upon examination to be so disabled by a disability which is likely to be permanent, as to render necessary ~~his~~ the person's retirement from any of the aforesaid services, the department of industry, labor and human relations shall order payment to him or her monthly, under s. 20.865 (1) (d) or 102.21, of a sum equal to one-half ~~his~~ the person's monthly salary in such service at the time that ~~he~~ the person became so disabled. A disability of such a nature as to require reduction in pay or position or assignment to light duty or to adversely affect promotional opportunities within the service shall be deemed sufficient to permit the employe the option of retirement.

(5) Any person entitled to disability benefit payments under this section may file with the department of industry, labor and human relations and the board of trustees of the Wisconsin retirement fund a written election to waive such payments and accept in lieu thereof such payments as may otherwise be due under s. 41.13 or subch. IV of ch. 41; but no person shall receive disability benefit payments under ~~both~~ s. 41.13, subch. IV of ch. 41 and this section.

SECTION 16. 67.08 (2) of the statutes is amended to read:

67.08 (2) The bonds of every municipality shall be negotiated and sold or otherwise disposed of for not less than 95% of the par value of the bonds, plus accrued interest to date of delivery by those officers who are required to execute such instruments, or

by such other officers as the governing body may determine, except that refunding bonds shall not be sold for less than par and accrued interest to date of delivery. Notice of sale of bonds shall be published as a class 2 notice, under ch. 985, the last insertion to be at least 10 days before the sale, except that a county having a population of 250,000 or more or any municipality may sell its bonds without notice to itself for the account of any of the sinking funds for any of its bond issues or to any of its own boards administering funds as trustee or agency or any fund specified by s. ~~62.13 (9) (a) 3, (10) (c)~~, 66.069 (1) (c) or 157.50 (6) or any other trust or reserve fund of such county or municipality. Such notice shall state the time and place where bids will be received together with the amount, purpose, maturities and maximum rate of interest to be borne by the bonds to be sold and any other details which may be deemed advisable by the officials conducting the sale.

**SECTION 17. Transitional provision.** All expenditures by the department of employe trust funds for the conduct of actuarial valuations required under section 41.60 (6) of the statutes shall be paid from the appropriation under section 20.515 (1) (w) of the statutes and such expenditure shall be reimbursed, by the employers affected by section 41.60 of the statutes, on the basis of the number of members and beneficiaries included in the valuation for each such employer.

**SECTION 18. Effective date.** This act takes effect on the last day of the next quarter calendar year commencing after its publication.

---