

(b) The gain or loss realized in the fixed retirement investment trust as a result of transferring stocks to the combined stock fund at market value shall be transferred to the transaction amortization account maintained under s. 40.04 (3) (intro.), Stats.

(c) The gain or loss realized in the variable retirement investment trust as a result of transferring stocks to the combined stock fund at market value shall be recognized as income or loss in the month of transfer.

(2) **ADDITIONAL INVESTMENTS.** The fixed retirement investment trust and the variable retirement investment trust may purchase additional shares in the combined stock fund as follows:

(a) Effective January 1, 1986, the fixed retirement investment trust and the variable retirement investment trust shall use those funds designated for investment in common or preferred stocks to purchase shares in the combined stock fund.

(b) Shares in the combined stock fund may be purchased only as of the first day of each month.

(c) All shares purchased in the combined stock fund shall, at the time of purchase, have a book value of one dollar per share.

(3) **INVESTMENT OF COMBINED STOCKS.** All funds received in the combined stock fund from the fixed retirement investment trust and the variable retirement investment trust shall be used to invest in common or preferred stocks or the state investment fund.

(4) **EARNINGS DISTRIBUTIONS.** Earnings shall be distributed from the combined stock fund to the fixed retirement investment trust and the variable retirement investment trust according to the following:

(a) All investment income received by the combined stock fund shall be recognized as income in the month received.

(b) The book value of all investments in the combined stock fund shall be adjusted to current market value as of the last day of each month. The appraisal gain or loss shall be recognized in the month incurred.

(c) As of the last day of each month the combined stock fund shall distribute to the fixed retirement investment trust and the variable retirement investment trust all income recorded for that month including interest received, dividends received, gain or loss realized on the sale of investments and the unrealized gain or loss recognized on the adjustment of investment book value to market value. Following these distributions the unit value of shares in the combined stock fund shall be one dollar.

(d) For any month, the distribution of income between the fixed retirement investment trust and the variable retirement investment trust shall be based on the ratio of the relative number of combined stock fund shares held by each trust as of the first day of that month to the total number of combined stock fund shares outstanding.

(e) Monthly distributions from the combined stock fund to the fixed retirement investment trust resulting from gains or losses realized on the sale of investments or unrealized appraisal gains or losses shall be transferred to the transaction amortization account. Distributions resulting from all other sources shall be recognized as current income to the fixed retirement investment trust in the month of distribution.

ETF 10

(f) All distribution to the variable retirement investment trust shall be treated as current income in the month of distribution.

(5) **WITHDRAWALS.** The fixed retirement investment trust or the variable retirement investment trust may withdraw funds from the combined stock fund as of the first day of any month. The withdrawal shall be accomplished by selling combined stock fund shares to the combined stock fund. Withdrawals made after the first day of any month shall be deemed to have been made on the first day of that month for purposes of distributing income at the end of that month.

History: Cr. Register, October, 1985, No. 358, eff. 11-1-85.

ETF 10.30 Effect of variable transfer on benefits. Any gains or losses at the effective date of a transfer pursuant to s. 40.04 (7), Stats., including subsequent interest credits, shall be reflected as an adjustment to the benefit at the time it is payable.

History: Cr. Register, December, 1980, No. 300, eff. 1-1-81; renum. from ETF 8.02 and am., Register, December, 1982, No. 324, eff. 1-1-83.

ETF 10.31 Effective date of election to cancel variable participation. Pursuant to s. 40.04 (7), Stats., an election to cancel variable participation shall be made on a form provided by the department and shall be effective, for future contributions, on the January 1 following receipt of the form by the department. A participant may further elect the transfer of variable annuity contribution accumulations to the fixed division on:

(1) An unconditional basis effective the January 1 following receipt of the election form by the department; or

(2) A conditional basis as follows:

(a) For annuitants, effective the first January 1 after receipt of the form by the department on which the condition under s. 40.04 (7) (a) 1, Stats., is satisfied.

(b) For all other participants, effective the first January 1 after receipt of the form by the department on which the condition under s. 40.04 (7) (a) 2, Stats., is satisfied.

(3) For purposes of this section, whenever the last day of the year falls on a Saturday, Sunday or holiday when state offices are closed, an election to cancel variable participation or to transfer variable annuity contribution accumulations to the fixed division which is received on the next succeeding working day shall be deemed to have been received within the preceding calendar year.

History: Cr. Register, December, 1982, No. 324, eff. 1-1-83; cr. (3), Register, October, 1987, No. 332, eff. 11-1-87.

ETF 10.32 Additional contributions. When a participant makes an election pursuant to s. 40.04 (7), Stats., and has additional contributions, the election shall be governed by an evaluation of all contributions and shall be effective as prescribed in s. ETF 10.31.

History: Cr. Register, December, 1980, No. 300, eff. 1-1-81; renum. from ETF 8.04 and am., Register, December, 1982, No. 324, eff. 1-1-83.

ETF 10.33 Multiple accounts or accumulations. An election filed pursuant to s. 40.04 (7), Stats., shall be effective for all accounts and accumulations of the participant except that for an annuitant who has variable
Register, October, 1987, No. 332

accumulations from which no annuity is being paid, the effective date of an election shall be separately determined for the current annuity or annuities and for the variable accumulations from which no annuity is being paid.

History: Cr. Register, December, 1980, No. 300, eff. 1-1-81; renum. from ETF 8.05 and am., Register, December, 1982, No. 324, eff. 1-1-83.